DOCUMENT RESUME

ED 227 568 EA 015 490

| | |
|---|---|
| TITLE | Strengthening Oklahoma Education. |
| INSTITUTION | Oklahoma Citizens' Commission on Education, Oklahoma City. |
| SPONS AGENCY | Ford Foundation, New York, N.Y.; National Conference of State Legislatures, Washington, D.C.; Oklahoma State Legislature, Oklahoma City. |
| PUB DATE | 1 Jan 82 |
| NOTE | 117p. |
| PUB TYPE | Reports - Descriptive (141) |
| EDRS PRICE | MF01/PC05 Plus Postage. |
| DESCRIPTORS | Boards of Education; *Educational Finance; Educational Quality; *Educational Trends; Elementary Secondary Education; Finance Reform; *Futures (of Society); *Governance; Public Schools; School Administration; *School District Autonomy; State Legislation; State School District Relationship; Tables (Data) |
| IDENTIFIERS | *Oklahoma |

ABSTRACT

Established by the state legislature in 1980, the Oklahoma Citizens' Commission on Education (OCCE) aimed to evaluate the state's schools and prescribe goals for its future educational system. This report presents OCCE's recommendations and background materials. The first section comprises OCCE's 42 recommendations and statements, with supporting materials, on (1) control of the schools, including school boards, the curriculum, testing and minimum standards, early childhood and adult basic education, and vocational and handicapped education; (2) school financing, involving property taxes, elections, state government's role, Oklahoma's 1981 finance reforms, capital outlays, and public funds for private education; and (3) educational quality, administrative structures, accreditation, and district reorganization. The second section narrates the commission's "dream" of what Oklahoma schools would be like in the year 2000 if its recommendations were implemented. Section 3 provides material prepared by OCCE's staff on the state's educational system, revenue sources, finance issues involving equity and control, and the 1981 school finance legislation. An appendix lists OCCE's witnesses and the organizations invited to attend and offers additional materials prepared by the commission. (RW)

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# STRENGTHENING OKLAHOMA EDUCATION

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# STRENGTHENING OKLAHOMA EDUCATION

# REPORT OF THE OKLAHOMA CITIZENS' COMMISSION ON EDUCATION

January 1, 1982
OKLAHOMA CITY, OKLAHOMA

The Oklahoma Citizen's Commission on Education
was supported by grants from the following:

*Thirty-seventh Legislature of the State of Oklahoma*

*National Conference of State Legislatures*

*Ford Foundation*

## OKLAHOMA CITIZENS' COMMISSION ON EDUCATION

The Commission was created in the summer of 1980 by House Bill No. 1706 passed in the Second Session of the Thirty-Seventh Legislature. Twenty-five of its members of the Oklahoma Citizens' Commission on Education were appointed by the President Pro Tempore of the State Senate and the Speaker of the House of Representatives. In addition, one member represented the Chancellor of the State Regents for Higher Education and one member represented the State Superintendent of Public Instruction.

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# PREFACE

As the decade of the 80's dawned, Oklahoma found itself in a most unique and unlikely position concerning public education.

The position's uniqueness was because, while most every other state faced unbelievable funding problems, not only in education but in all services, Oklahoma's financial outlook never seemed better. The role seemed quite unlikely for a state which has had a history of being far behind in providing the resources necessary to have a quality education system.

Simply put, Oklahoma found itself in a position to lead, rather than to follow at a dismal pace.

In acknowledgement of this fact, the Oklahoma Legislature initiated a process in the summer of 1980 to answer the important questions concerning Oklahoma's public schools. An integral part of that process was the establishment by law, through House Bill 1706, of the Oklahoma Citizens Commission on Education. The Commission was composed of a cross-section of citizens from all over Oklahoma. They were given the task of evaluating the schools of Oklahoma and prescribing a set of goals which, if achieved, would provide the very best education system possible for the future.

It was with that charge that the Commission began its deliberations.

It is important to note that while the Commission recognized the obvious problems facing our state in the area of education, the members did not merely dwell on simple solutions to those problems. Rather, the members sought to recommend significant reforms which could help place Oklahoma at the very forefront of educational excellence in the United States, and for that matter, in all the world.

The Commission believes this state has that opportunity, and that the striving for that goal is, indeed, a most noble cause. It is believed that this state can make no greater investment in a sound, peaceful and prosperous future than in the education of our children.

The recommendations of the Commission can help Oklahoma develop one of the best, if not the best, education systems anywhere. But just as importantly, it would allow our state to make a tremendous contribution to the rest of the country by being the leader in the field of education.

The report which follows does not, of course, represent a panacea for Oklahoma's schools. It does, however, represent goals and objectives which can help this state achieve the excellence it has so long desired to achieve.

In keeping with the spirit of the 80's in this state, it is hoped by each and every Commission member that in some small way the work of the Commission can be a part of an overall crusade in education for the benefit of our most important asset — our children.

Jim Fried, Chairman
Oklahoma Citizens Commission on Education

# INTRODUCTION

The Commission functioned during the period beginning July 1, 1980, and ending December 31, 1981. During that time, the Commission held 14 meetings. For the most part these were all day meetings held in the capitol building. The major education organizations in Oklahoma were invited to send representatives to the meetings and in many instances such representatives were present.

Persons knowledgeable about various educational issues were invited to make presentations to the Commission. Where feasible, persons representing opposing views on the specific issues were invited to present those views to the Commission.

The Commission's staff prepared background information for study by the Commission throughout its life. In most cases that material was sent to Commissioners prior to the meetings so that it could serve as the basis for discussion in the meetings. There was also interaction with those who made presentations to the Commission.

All of the Commission's recommendations were approved by majority vote of those present at the meeting when the recommendation was considered. In all cases the recommendations were the result of interaction among Commissioners, the Commission staff, and those who made presentations to the Commission.

One of the basic charges of the Commission was to deal with the question of school finance in Oklahoma. Along with the appropriation from the legislature, the Commission received grants from the National Conference of State Legislatures and the Ford Foundation. This made it possible to purchase the equipment and the software to enable Commission staff persons to do computer simulations demonstrating the effects of alternative policy decisions being considered by the legislature.

The legislature passed finance reform legislation in its 1981 session. The bill itself was not a direct product of the Commission. Instead, it was a product of the political process during the legislative session. Although the Commission was not responsible for the specifics of the new legislation, the bill that was finally passed was consistent with basic positions taken by the Commission earlier.

The Commission's Report contains four sections. The first includes the Commission's recommendations and some background material that provides the rationale underlying each recommendation. The second section consists essentially of materials prepared by the staff for consideration by the Commission. Where the material points to a problem or an issue, if the Commission made a recommendation designed to deal with the problem, there is reference to that recommendation. The third section is a narrative that describes the Commission's speculation about what school in Oklahoma would be like in the year 2000 if all of the Commission's recommendations were implemented. The fourth section is an appendix which contains additional materials that were prepared for the Commission during its existence. There is also information in the appendix about who appeared before the Commission and the educational and other organizations whose representatives were invited to attend Commission meetings.

# THE COMMISSION'S RECOMMENDATIONS

# INTRODUCTION

This section contains the Commission's recommendations along with brief explanations of the rationale underlying them. There are 42 separate recommendations and/or statements. Some stand alone, but many are interrelated. Some are quite specific while others are more general.

There is a set of statements describing the Commission's view of what basic education should be in Oklahoma. There is also a model set of criteria for evaluating proposals for state curriculum mandates.

The Commission found that 18 months was not a long enough period of time for it to develop an educational plan that is as totally comprehensive as many Commissioners would have liked. Still, the Commission believes that if its recommendations were implemented, Oklahoma could move into the last two decades of the century with confidence that its educational system would meet the needs of the times.

# CONTROL OF THE SCHOOLS

Substantial amounts of time were spent in discussing questions relating to who should make what decisions about the schools. Like most citizens, most of the members of the Commission supported the American tradition of local control of public schools. On the other hand, several Commission members cited instances of what they perceived to be poor decisions and weak leadership in some school districts.

As a result of its deliberations, the Commission committed itself to the following statements:

> ***The primary control of public schools should be at the local community level through the local school board. Minimum state standards should be established and maintained that will ensure reasonably consistent educational quality throughout the state.***

To further specify and better define what they meant by local control, the following statement relating to control was also adopted:

> ***The local school board should be the primary determinant of the curriculum, of who is to be employed, the allocation of financial resources, and other matters having to do with the operation of the schools.***

## SCHOOL BOARDS

Having committed themselves to the basic concept of locally controlled schools, Commission members then turned their attention to the question of whether or not substantial numbers of citizens are really participating in the decisions being made about their schools at the local level. It seemed clear from the evidence presented that there are many instances in schools districts in Oklahoma in which citizen participation in the decision process is not encouraged by the school board. In situations where such participation is encouraged, citizen response has been disappointing.

This is not a phenomenon that is unique to Oklahoma and the Commission discussed the possibility of recommending mechanisms that have been used in other states such as citizen advisory committees. After discussing such plans, the Commission rejected them and the members re-affirmed their commitment to the local school board as the most appropriate means of implementing local control of schools.

After making the commitment that recognizes local school boards as the legitimate and appropriate bodies through which local policy decisions about schools should be made, the Commission turned its attention to possible changes that might enhance the possibility of local school boards becoming more responsive to their respective communities. The conclusions the Commission reached were that certain changes in the selection of school board members, the length of their terms, and various other related matters might improve chances for more complete and vigorous participation by citizens in general in school policy issues. Therefore, they made the following series of recommendations concerning Oklahoma school boards:

> ***School board members should be elected for three year terms.***

The Commission considered this issue at some length and listened to testimony from interested parties, some of whom suggested longer terms. Commissioners decided that three year terms would be long enough to provide continuity, especially since many board members would probably choose to run for re-election, but short enough to encourage responsiveness to community interests. Furthermore, the shorter terms might encourage some candidates who are unwilling to commit themselves to the longer terms.

***

> ***Three year school board terms should be staggered so that two members are elected the first year, two members elected the second year and either one or three members elected the third year depending upon whether the election is for a five or a seven member board.***

This recommendation simply recognizes the importance of providing continuity throughout the election process by staggering the terms of members.

***

***All school districts, including dependent districts, should have five member boards with the possible exception of those districts having a minimum enrollment of 5,000 students who may choose to have seven member boards.***

This recommendation provides uniformity of school board size while taking into consideration the uniqueness of urban school districts where additional members may be required to effectively represent the populace. In this statement the Commission also addresses dependent district school boards and the problems arising from their having only three persons serving on boards.

***

***All school board members should be nominated by ward and elected at large except in the case of districts enrolling at least 5,000 students who may choose to nominate and elect their membership by ward.***

Minority group representation was the concern which led to this recommendation which eliminates the possibility of nomination and election at-large. Consideration of urban areas where at-large election tends to limit possible minority group representation led to recommending the option for those districts of nomination and election by ward.

***

***School board member elections should be changed from January to April.***

The Commission approved this recommendation as an attempt to improve voter turnout by decreasing the chance of inclement weather on election day.

***

***The Legislature should require that absentee ballots be provided in school board elections.***

In the final days of the 1981 Legislative Session, a bill was passed which guaranteed the use of absentee ballots in all elections conducted by County Election Boards. Passage of this bill was subsequent to the Commission's recommendation.

***

***School district elections should be held at regular polling places under the supervision of the County Election Boards and include the use of precinct registries.***

Election challenges, the chance of inappropriate influence on election outcomes, confusion of voters and the predominant use of schools as polling places were all concerns the Commission addressed in this recommendation. It was the opinion of the Commission that school district elections should be conducted as much like general elections as possible and practical.

***

***The Commission voted against recommending recall elections for school board members.***

This statement was the result of an in-depth review of recall provisions in various states. The Commission became aware of two Oklahoma State Statutes that can effect the removal from office of any school board

member committing an illegal act. After considering the reported abuse of recall provisions in other states, the current state statutes and a prior recommendation made by the Commission to reduce the length of term of office of school board members to three years, the Commission decided against recommending recall elections and re-emphasized their position favoring reduction of length of term. Three year terms would allow the removal of undesirable school board members soon enough and avoid the possible misuse of a recall provision.

***

***Training sessions for new school board members should be held regionally and attendance should be limited to school board members. Emphasis at the workshops should be placed on new members and they should be strongly encouraged to attend.***

The Commission knew of the annual workshops sponsored by the School Board Association for new board members and recognized it as a contribution to proper orientation of school board members. Still, the Commission felt that everything possible should be done to improve the chances for competent school board service. The rationale underlying the above recommendation was that it might lead to better understanding of the distinct and different responsibilities of boards of education and administrators and, by being held regionally, more new members might find it possible to attend.

## THE PUBLIC SCHOOL CURRICULUM

In its extensive deliberations about the public school curriculum, the Commission quickly discovered how difficult and nebulous is the problem of defining an "adequate" educational program or even to agree on the meaning of basic education.

Commissioners examined education goal statements from a number of sources. The Commission then adopted the following set of statements which represents the collective judgments of Commission members on what the goals and objectives of basic education in Oklahoma should be.

### Defining Basic Education

FUNDAMENTAL TO THE BASIC EDUCATION NEEDED FOR SUCCESSFUL PARTICIPATION IN THE SOCIETY OF THE LAST TWO DECADES OF THE 20TH CENTURY IS THE DEVELOPMENT OF RATIONAL POWERS. THE ABILITY TO CRITICALLY ANALYZE, COMPARE, GENERALIZE AND EVALUATE AND ON THE BASIS OF THESE ACTIVITIES MAKE RATIONAL DECISIONS WILL BE INCREASINGLY CRUCIAL IN THE DECADES TO COME.

THE SCHOOLS MUST DEVELOP IN THEIR PUPILS THE SKILLS THAT WILL MAKE RATIONAL BEHAVIOR POSSIBLE. THESE WILL CERTAINLY INCLUDE READING WITH COMPREHENSION, WRITING WITH CLARITY, AND THE ABILITY TO APPLY MATHEMATICAL SKILLS TO REAL PROBLEMS.

A FUNDAMENTAL PROBLEM IN MODERN SOCIETY IS COMMUNICATION. DEVELOPING THE ABILITY TO COMMUNICATE AND BE COMMUNICATED WITH SHOULD BE A CENTRAL CONCERN OF THE SCHOOLS. THE SKILL TO ARTICULATE ONE'S IDEAS WHETHER WRITTEN OR ORAL IS ESSENTIAL. THE CAPACITY AND WILLINGNESS TO COMPREHEND AND CONSIDER THE WRITTEN OR ORALLY EXPRESSED IDEAS OF OTHERS IS EQUALLY IMPORTANT. SCHOOLS SHOULD ESTABLISH AND MAINTAIN ENVIRONMENTS THAT ENCOURAGE THE DEVELOPMENT OF COMMUNICATION SKILLS.

DEVELOPING IN THEIR PUPILS THE CAPACITY TO FUNCTION IN VOCATIONS THAT ARE AND WILL BE A PART OF THE 20TH AND 21ST CENTURY IS A NECESSARY FUNCTION FOR THE SCHOOLS. THIS MAY WELL REQUIRE THE DEVELOPMENT OF NEWLY EMERGING SKILLS SUCH AS THOSE RELATING TO COMPUTER LANGUAGES, WORD PROCESSING, AND OTHERS THAT ARE YET TO EVOLVE. INDEED, TODAY'S PUPILS ARE LIKELY TO NEED THE ABILITY NOT ONLY TO LEARN BUT TO RE-LEARN AND RE-TOOL THEMSELVES AS TECHNOLOGY PRODUCES THE NEED FOR UNANTICIPATED SKILLS AND MAKES OBSOLETE SOME OF THE SKILLS THAT WERE PREVIOUSLY IN DEMAND.

IT IS LIKELY THAT AN INCREASINGLY AUTOMATED SOCIETY WILL PROVIDE MOST PERSONS WITH INCREASING AMOUNTS OF LEISURE TIME. HELPING TO LEARN HOW TO USE THAT TIME FOR MORE WORTHWHILE AND REWARDING ACTIVITY THAN HAS BEEN TYPICAL SHOULD BE A HIGH PRIORITY FOR THE SCHOOLS. ACTIVE PARTICIPATION RATHER THAN PASSIVE OBSERVATION SHOULD BE FUNDAMENTAL TO THE LEISURE TIME EDUCATION EXPERIENCES SCHOOLS PROVIDE FOR THEIR PUPILS.

A DEMOCRATIC SOCIETY REQUIRES CITIZENS WHO ARE NOT ONLY KNOWLEDGEABLE BUT MOTIVATED TO PARTICIPATE IN THE DECISIONS THAT MUST BE MADE. THE SCHOOLS SHOULD STRESS THE DEVELOPMENT OF CITIZENSHIP SKILLS AND DO WHAT THEY CAN TO DEVELOP IN THEIR PUPILS AN AWARENESS OF THE NECESSITY TO USE THESE SKILLS THROUGHOUT THEIR LIVES. ON THE BASIS OF DATA AVAILABLE ON THE PERCENTAGE OF ELIGIBLE VOTERS WHO VOTE IN ELECTIONS, IT MAY BE THAT SCHOOLS HAVE FUNCTIONED WITH LESS EFFECTIVENESS IN THIS AREA THAN ALMOST ANY OTHER.

### Objectives

Goal statements are useful guides for long range planning and provide direction. Commissioners believe their statement on basic education can meet that need. However, more specific objectives with which teachers, parents, pupils, and others can identify are needed for the decisions that school districts must make as they plan their own curriculum offerings.

Since the Commission takes the position that most decisions should be made at the local level, it made the following recommendation:

> ***With guidance from the State Department of Education, local school districts should be encouraged to identify educational objectives at each grade level and for the school system as a whole. Varying organizational patterns will mean that objectives for varying combinations of grades will differ from school district to school district. Criteria such as the standards established by the North Central Association may be useful as schools engage in these planning activities.***

### Evaluation

Commissioners recognized that many citizens are raising fundamental questions about the quality of their public schools. The Commission went on record favoring public evaluation of progress in the achievement of objectives. It made the following recommendation:

> ***Means should be developed by schools for measuring the degree to which the established objectives are being achieved. It is crucial that school district officials report their successes and failures to parents and citizens. In many instances, formal mechanisms such as citizen advisory groups might be useful in the community — school communication process.***

The evidence is overwhelming that communication between the local schools and local citizens has broken down in many school districts. The Commission believes that school officials should give high priority attention to overcoming this local control weakness.

### The State's Role in Curriculum Matters

The Commission spent a substantial amount of time discussing among themselves and with others the role of the state in curriculum decisions. The conclusion reached was that there is a need for the state to ensure that each pupil has access to an adequate educational program appropriate to his/her specific needs. The Commission's statement on basic education might be a vehicle through which legislative intent about specific curriculum matters could be developed.

The Commission examined the various means through which the legislature has attempted in the past to fulfill its responsibility for seeing to it that minimum curriculum standards are maintained at the local level. Most of these efforts have taken the form of passing laws requiring that specific subjects be taught. Those laws have ranged from the very specific to the very broad. They have often been inconsistently applied, and in many instances appear to be responses to relatively narrow interests.

The Commission does not find fault with the intent of many of the curriculum mandates. However, because of its conclusion that the overall pattern of specific statutory mandates is unsound, the Commission adopted the following recommendation:

> ***The legislature should repeal all curriculum mandates to be replaced with a generalized statement of what school districts should strive to attain as they make curriculum decisions.***

In the discussion which led to this recommendation, Commissioners pointed out that the State Department of Education should act as a source for new curriculum ideas and should provide assistance to local boards of education in curriculum planning and in meeting the accreditation standards set by the Department. This would take those decisions relating to specific courses of instruction out of the hands of the legislature and put them into the hands of local board members to be resolved in cooperation with teachers, administrators, parents, and citizens and under the guidance of the State Department of Education. Local districts would have the opportunity to plan the curriculum to meet the specific needs of their pupils.

### Requests for Curriculum Mandates

The Commission recognized that even though the legislature might repeal all existing mandates, it is likely that groups with sincere interests in adding various curriculum offerings to the public school curriculum will likely continue to plead their respective cases with legislators. The Commission felt it would be useful to the legislature to develop criteria for evaluating such proposals. Therefore, the Commission developed and suggests as a model what it called "Structure for Evaluating Proposals for Legislative Program Mandates." Although it was developed with curriculum proposals in mind, it is the Commission's view that it might be adapted for use with non-curricular proposals submitted to the legislature.

**********

### CHART #1

### STRUCTURE FOR EVALUATING PROPOSALS FOR LEGISLATIVE PROGRAM MANDATES

**Jurisdictional Merits**

1. Have local school boards been given the opportunity to respond to this proposal?
2. Is this an area that could and/or should be dealt with by the State Department of Education through rules and regulations based on existing statutes?
3. Has opportunity been provided for input from all of the groups affected — parents, teachers, administrators?

**Educational Merits of the Mandates**

1. Will it benefit the entire statewide education population? Will all districts benefit equally?
2. Will it be successful in producing additional learning in a necessary area?
3. If the proposed change involves teaching a new subject area ...
   A. Does it take time away from teaching the basics?
   B. Is there time in a school day to implement this proposal, keeping in mind all other mandated curriculum? What are the priorities?
   C. Can it be structured so that there are progressive stages of learning for each grade level?
4. Is it to be applied K-12? How is it to be integrated into the curriculum at each level?

**Implementation Factors**

1. Teachers —
   A. Are they ready to teach the subject area now?
   B. What must be done to prepare them?
2. Facilities —
   A. Are appropriate facilities available at this time?
   B. Can they be made available in all districts?
3. Textbooks and Equipment —
   A. Are they currently available?
   B. Can they be obtained in all districts?
4. Cost Factors —
   A. Teacher preparation.
   B. Preparing the physical environment.
   C. Obtaining materials and equipment.
   D. Total cost of implementation statewide.
   E. Source of funding.
5. Are there time constraints in any of the areas of implementation?

GIVEN THE EDUCATIONAL MERITS AND AFTER CONSIDERING COSTS OF IMPLEMENTATION, IS THE PROPOSED CHANGE SUITABLE FOR ENDORSEMENT?

**********

## TESTING

The Commission had a number of discussions about the use of standardized testing programs. On the basis of those discussions and the information made available to them, they made the following recommendation:

***The legislature should encourage and facilitate the establishment of a comprehensive diagnostic testing program (both group and individual) in each school system in the state. The primary thrust of these programs should be to diagnose the educational deficiencies in pupils.***

The usefulness of standardized tests to identify educational weaknesses in pupils is unquestioned. Although many school systems in Oklahoma already have sound testing programs, many do not. The Commission believes every pupil in Oklahoma should have access to comprehensive, standardized testing programs.

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The Commission recognized that identifying weaknesses in pupils through standardized tests is of little value unless there are follow-up actions designed to overcome those weaknesses.

There is evidence to indicate that many schools do not alter the educational programs of pupils on the basis of the information gained through testing programs. Therefore, the Commission made the following recommendation:

> ***Professional interpretation of diagnostic test results should be followed by the development of educational programs and instructional procedures based on the findings. The State Department of Education should provide assistance in the development of these programs.***

Commissioners were aware of the fact that individualizing instruction in terms of the educational needs of each pupil is and always has been a formidable task. Nevertheless, increased emphasis on developing programs for the handicapped and the gifted and talented pupils demonstrates that there is more urgent need than ever to tailor educational programs to individuals. It is obvious that diagnosis which is not followed by treatment is of little or no value.

### Minimum Standards

During the life of the Commission, there were several discussions among the Commissioners regarding the use of standardized tests to determine competence. Several states have adopted one or another kind of competence testing programs and there is interest in such a program in Oklahoma as evidenced by the introduction in the Legislature of bills dealing with that subject.

After investigation and discussion, the Commission made the following recommendation:

> ***The Commission recommends against the adoption of a state mandate for minimum scores on standardized tests as one of the prerequisites for promotion from one grade level to another or for graduation from high school. This recommendation is not meant to limit local districts from adopting their own standards for promotion and graduation.***

The Commission believes there should be much greater emphasis on the development of defensible criteria for determining whether or not a pupil should be advanced in grade level or graduated from high school. We do not believe in indiscriminate social promotion and believe that pupils should not be promoted or graduated until they demonstrate that they have met minimum criteria. On the other hand, we do not believe that requiring minimum performance on a single test should be a part of the expectation for promotion and graduation. We believe the adoption of such an approach would result in undesirable rigidity in the state educational system, a narrowing of educational goals, and other debilitating conditions.

## EARLY CHILDHOOD EDUCATION

After rather careful investigation, the Commission concluded that education in the very early years is crucial. If it is carried out properly by persons specifically trained to deal educationally with children who are in these early years, the investment can yield large dividends in the later school years. Studies indicate that among children who have had such education there is greater overall success in school. Even the response to the authority structure of the school is more positive among such pupils, particularly in the junior and senior high school years.

In view of the above, the Commission made the following recommendations:

> ***Oklahoma should establish as a high priority goal that all-day kindergarten be available as an option to all children at age five.***

There is convincing evidence that many children could benefit greatly from longer and more extensive kindergarten programs. Interaction with parents is a crucial part of education in the early years. The all-day format would give kindergarten teachers opportunities to work more extensively with pupils who need extra help in the developmental process as well as with their parents.

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***Oklahoma should establish as a high priority goal that half-day early childhood education programs be available as an option to all children at age four.***

The Commission heard testimony from informed persons that these programs reduce the need for remediation, decrease the number of pupils requiring special education, and result in more positive attitudes in pupils about school. The early childhood specialists not only work with the children, but they help parents learn how to teach their children. The programs for age four children are not first grade reading programs brought down to the four year old level, but are prerequisite to reading and enhance the ability to learn to read when the child reaches the first grade level.

***

***The state should initiate a program that would lead to requiring all teachers of kindergarten or early childhood education to have certificates documenting their specific qualifications for this work.***

Commissioners learned that two-thirds of the kindergarten teachers in the public schools of Oklahoma are not certified in early childhood education. This is a result of the limited number of early childhood certificate holders and the reluctance of administrators to employ individuals whose professional preparation qualifies them to teach only in kindergarten and pre-school years.

There are important differences between teaching the subject matter required of elementary teachers and the developmental skills necessary for teachers of kindergarten and early childhood levels. Having concluded that developmental education in the early years is important to a pupil's success in the total educational program of the schools, Commissioners considered it important to make it more likely that appropriate teaching methods are being used at these levels.

## HANDICAPPED EDUCATION

The Commission was aware that in recent years both the federal and state governments have exhibited increasing concern about education for the handicapped. Recognizing that full use of the potential resources represented by those who are handicapped is crucial both to the society and to the handicapped individuals, the Commission fully supports these efforts. It is clear that as time passes even more support should be provided.

A major change in public policy of the type that is involved in the increased concern for the handicapped necessarily involves some transitional problems. Commissioners heard testimony concerning those problems. The Commission did not feel that it could speak to all of the transitional problems that were identified. However, two of them seemed to call for Commission recommendations which were as follows:

***There should be continuing review of the pupil weighting factors in the various special education categories in the state finance formula.***

The weights should be such that they provide enough money to finance the extra costs of special education. The State Department of Education should carry out continuing cost studies that can be used as a basis for determining appropriate weights.

***

***The Commission supports the intent of the weighted pupil legislation that indicates weights are to be added on a cumulative basis for each pupil. The use of so-called primary disability as a single weighted factor should be discontinued.***

It was brought to the attention of the Commission that only one special education weight has been used for the allocation of monies. Many pupils have more than one disability. In those instances, the weights should be added together so that the total additional expense for such pupils is fully reimbursed.

## VOCATIONAL EDUCATION

The Commission discussed Oklahoma's vocational education system and concluded that the system is of such high quality and so ably led that few if any recommendations could be made for improvement. Indeed, other states have looked to Oklahoma as a model as they struggle to develop their own systems.

In view of this feeling among Commissioners, they made the following recommendation:

> ***The legislature should continue to provide strong support for further development of vocational education. The goal should be to make comprehensive vocational education programs accessible to every young person in the state who could benefit from them.***

There is no question that the availability of high quality vocational education programs will continue to grow in importance. Modern society offers virtually no opportunity for those who are untrained and unskilled. The spending of state money for vocational education is among the most obvious of good investments both educationally and economically.

One of the contributing factors in Oklahoma's healthy economy and low unemployment rate is its vocational education system. The vocational education institutions train Oklahomans for the jobs available in Oklahoma. Vocational educators maintain a close working relationship with the leaders of business and industry in the state. As a result, businesses and industries considering re-location to Oklahoma are often influenced to make the move because of the evidence that the state supports high quality vocational and technical training and that the system serves very well the training needs of both existing and new businesses.

## ADULT BASIC EDUCATION

Although the Commission was aware of the fact that adult and continuing education involve an almost infinite variety of education programs, time constraints made it necessary to focus only on adult basic education. The Commission's investigation revealed the fact that more than one-third of adult Oklahomans have not completed high school. The Commission knew of the changing federal role in relation to adult basic education and took the position that the state should become increasingly involved in this area. Because they are universally available, Commissioners considered the public schools to be the appropriate facility for making adult basic education accessible to all Oklahomans.

The Commission made the following recommendation:

> ***State financial assistance should be provided to public schools so that access to educational programs that will lead to a high school diploma will be available to any adult citizen in Oklahoma. These funds should be supplemented by minimal tuition fees paid by the adult students. Schools should be reimbursed for the additional expenses they incur by establishment of an appropriate weight in the state finance formula.***

Many employment opportunities are available only to those who have completed high school. Under-educated adults represent a human resource that is being wasted. The Commission believes that the allocation of state money for the basic education of adults will yield significant dividends.

* * *

Recognizing that the teaching of adults requires different skills than those used with the regular public schools population, the Commission recommended that:

> ***Instructors of adult education should have demonstrated abilities in the subject area as well as specific training which will enable them to teach adults successfully. The state should initiate a program which would lead to adult education certification for all instructors who teach in this type of program.***

# FINANCING THE SCHOOLS

A substantial percentage of the Commission's time was devoted to issues relating to the financing of Oklahoma's schools. Since there are three governmental levels involved, each of which provides money in different patterns for schools, the complexity of the issues defies description. Commission members felt that their greatest contribution might be the enunciation of basic principles that could serve as a foundation for developing detailed policies.

The following recommendations and statements grew out of the investigations and deliberations of the Commission:

## PROPERTY TAX ADMINISTRATION

Court decisions, Board of Equalization decisions, Tax Commission decisions, Attorney General Opinions, and decisions by County Assessors, many of them in conflict with each other, have led to a chaotic situation in the administration of the property tax in Oklahoma. The Commission believes that the property tax will and should be an important source of revenue for the public schools for the foreseeable future. Therefore, Commissioners indicated with near unanimity that one of the most critical issues in financing the schools of Oklahoma is reform in the administration of the property tax. The Commission approved the following recommendations:

> ***The Oklahoma Tax Commission should set forth specific criteria for determining the value of property for ad valorem tax purposes.***
>
> ***The Tax Commission should examine a specified percentage of the parcels of property on the tax rolls to determine whether or not the Tax Commission's criteria have been followed by County Assessors.***
>
> ***If it is determined that the criteria have not been followed, the County Excise Board shall, upon direction by the Oklahoma Tax Commission, withhold apportionment of county operational funds until such time as County Assessors have complied with the Tax Commission's criteria for determining values of property.***

After looking into the property tax situation in Oklahoma, the Commission came to the conclusion that the most basic problem is determining the values of property. If a system could be implemented that would give assurance that criteria to determine the values of properties were being consistently, fairly, and relatively uniformly applied throughout the state, many of the other problems relating to the property tax could be solved. For example, consistency of assessment ratios has little or no meaning unless the prerequisite condition of uniform valuation of properties is achieved. This is why the Commission recommended development of enforced criteria for determining property values for tax purposes.

## MILLAGE ELECTIONS

The Commission looked into the current legal requirement that the operating levies for local school districts must be approved annually by a majority of school district voters. The conclusion the Commission reached was that such elections are expensive, do not contribute to local involvement in the schools, and really don't provide meaningful options to the voters. Therefore, the Commission made the following recommendation:

> ***The Oklahoma Constitution should be amended to allow school districts to replace annual millage elections with a one-time millage vote subject to repeal.***

The Oklahoma Constitution contains a number of provisions relating to the financing of schools that simply do not fit today's conditions. The interaction of those constitutional provisions along with poor administration of the property tax system means that when citizens vote in the millage elections, they are fulfilling a ritualistic responsibility to confirm that the schools should continue to operate. Of the 619 school districts holding millage elections in 1980, 615 were passed. On the rare occasion when a millage election fails, school boards have little choice but to keep calling elections until the levies are approved. Since the Commission concluded that the annual millage elections are an expensive ritual rather than a real choice for voters, it recommended their elimination.

## THE STATE'S ROLE IN FINANCING SCHOOLS

As demonstrated by the extensive amount of material on school finance in the section on the "Commission's Work," Commission members received rather thorough briefing on the state's approach to its partnership responsibility in helping local communities finance their schools. As indicated earlier, the Commission chose to support basic principles rather than recommend a detailed finance plan to be considered by the legislature.

The Commission made the following recommendation:

> ***State appropriations for public schools should result in equity among school districts and equalization of educational opportunity among pupils, but they should also encourage financial input at the local level.***

As they studied the materials made available to them, Commission members came to recognize that serious inequities in financial capacity from one school district to another exist in Oklahoma. The Commission accepted the fact that the state has the ultimate responsibility for seeing to it that each pupil in Oklahoma has access to a reasonably adequate educational program. Commission members recognized that some school districts, through no fault of their own citizens, find it impossible to raise the money they need to provide educational programs that are reasonably comparable to those offered in other districts. The Commission's position was that such districts should receive more financial help from the state than those districts whose financial circumstances are more fortunate.

The Commission also committed itself to the importance of local citizens participating in the financing of their schools. Although they knew that the present situation in Oklahoma provides little room for local decisions about financial support, the Commission recognized that it would be ideal to give citizens at the local level the option to make meaningful financial decisions. However, there was also commitment to the concept of limiting local financial leeway so that serious financial inequities among school districts could not develop.

A related principle to which the Commission committed itself was that:

> ***State monies should be appropriated in inverse proportion to the capacity and effort of local school districts to raise money for the schools. Appropriations that provide money to school districts in a lump sum per teacher, per pupil, or per program, and that do not take account of the financial ability of the districts, should be avoided.***

This principle simply specifies and defines the Commission's commitment to fiscal equity among school districts. It is apparent in other recommendations that Commissioners recognized that equal educational opportunity is not guaranteed by financial equity. Nevertheless, they did recognize that marked differences in fiscal capacity preclude the possibility of providing such equality.

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> ***The Commission supports a school finance distribution system that uses pupil weighting as a means of recognizing the varying costs of educating different kinds of pupils as well as the varying characteristics of the school districts themselves.***

The Commission was provided with information about different approaches to the distribution of state money among school districts. Material was provided describing plans used in other states, both with and without pupil weighting. The Commission received information based on studies done by the National Education Finance Project, the National Institute of Education, and the Education Commission of the States. All of these materials identified some form of pupil weighting as the most widely accepted and fairest approach to the distribution of state money in terms of cost differentials among school districts. Because of all of this evidence, the Commission went on record favoring this approach.

## LATER DEVELOPMENTS

During the 1981 legislative session, and after the adopting by the Commission of the preceding recommendations, school finance reform legislation was passed in Oklahoma. Near the end of its existence, the Commission evaluated that legislation against the recommendations it had made earlier. It then adopted a set of statements relating to that statute.

### Evaluation of the 1981 School Finance Legislation

The Commission supports the basic structure adopted by the 1981 Legislature for distributing state monies among public school systems. It is consistent with the positions adopted by the Commission regarding equalization among school districts.

The Commission recognizes that the 1981 finance legislation contained compromises which limit its immediate impact on the equalization of monies. We also recognize that the formulas themselves will require continuous evaluation so that progress in the direction of equalization can be made.

In order to guard against a repeat of the deterioration in equalization that occurred in the years prior to the adoption of the 1981 legislation, the Commission makes the following recommendations to the legislature:

> ***Monies appropriated by the legislature for public schools must be distributed through the formulas. The practice of distributing money on the basis of flat grants for mandated salary increases or for any other purpose must be discontinued.***

Early in its existence, the Commission examined the method by which the Oklahoma Legislature was distributing money to school districts. It was obvious that a major share of the money was being distributed on a flat grant basis. Since flat grants do not take account of the relative wealth of the school districts, their impact is disequalizing and for that reason the Commission took a position in opposition to such grants. In its 1981 legislation, the Legislature was able to increase the percentage of money going through equalization formulas from approximately 40 percent to more than 80 percent. The goal of the Legislature should be to increase the percentage to as close to 100 percent as possible. Any reduction in that percentage will be initiating a cycle that from an equalization standpoint is undesirable.

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> ***The Commission recommends a continuation of the use of weighted pupil units as a basis for distribution of money to school districts.***

Again, early in its existence, the Commission investigated and discussed the concept of weighted pupils as a basis for distributing money. After that investigation and discussion, the Commission went on record favoring a weighted pupil approach.

Weighting is an effort to take account of the characteristics of pupils in the school districts as well as the characteristics of the districts themselves. Reputable national groups and studies consider a weighted pupil approach to be the fairest and most practical approach to the distribution of monies within equalization formulas. Many states are now using a weighted pupil approach. The evidence is overwhelming that this concept is defensible as a basic part of the structure of a finance distribution system.

## CAPITAL OUTLAY ASSISTANCE

The Commission engaged in a number of discussions about building facility deficiencies in many parts of Oklahoma. Commissioners also received materials from several sources on the roles various other states have assumed in helping school districts provide adequate building facilities.

On the basis of the investigations and discussions, the Commission made the following recommendation:

> ***The State of Oklahoma should provide financial assistance for capital outlay to school districts that make maximum effort but do not have the financial capacity to provide building facilities that meet defined minimum standards.***

It is clear that complete reliance on the property tax at the local level for the large expenditures necessary for building adequate school buildings is no longer practical for many school districts in Oklahoma. It is obvious that one of the most serious inequities in Oklahoma education is the range of building facilities available to the pupils. In some districts, the facilities are among the best in the nation while in others they are among the worst. It is also clear that most other states have recognized that state responsibility extends not only to providing financial assistance for operating the schools, but also in building schools. The time has come for Oklahoma to accept that part of its responsibility.

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***The Legislature should pursue to satisfactory completion the comprehensive study of Oklahoma's school building facilities that has been undertaken.***

The Commission was aware that the legislature appropriated a significant sum of money to obtain data about school buildings in Oklahoma. Since capital outlay will involve large amounts of money, it will be crucial that the most efficient possible use be made of that money. Therefore, the state simply must know about the building facilities that exist so that when financial assistance is provided, it will go where it is most needed.

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***A state capital outlay assistance program should be financed from new revenue sources.***

There is no doubt that the monies available in the state's general fund for public schools will be needed to finance the operation of schools. The amount of money required for public school capital outlay is likely to be very large. The state should dedicate a tax that could be used to support a trust fund that would serve as the financial base for a state capital outlay program. A general fund appropriation for public school capital outlay would be both inadequate and impractical.

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***The capital outlay assistance program should be built on a carefully developed priority structure.***

State capital outlay assistance is one area where the state must exercise some control. Clearly understood priorities indicating how the money is to be spent must be identified. For example, it is likely that establishing a physically safe environment for pupils would be the highest priority. Instructional facilities would certainly come before athletic facilities on the priority list.

***

***The capital outlay assistance program should not support the perpetuation of an indefensible school district structure.***

If the state is to spend the amounts of money necessary to significantly support the capital outlay needs for specific school districts, it must make certain that the investment is defensible. To build or renovate school buildings in a district that cannot provide adequate educational programs under any circumstances would be unfair to taxpayers and a disservice to the state's educational program.

## PUBLIC MONEY AND PRIVATE EDUCATION

On several occasions the Commission discussed the issue of public subsidy for private education. Support among Commissioners for the concept of private education as an available option was unanimous. However, Commissioners did not favor the concept of providing public monies, either directly or indirectly, to help finance the private school option. Therefore, the Commission approved the following recommendation:

***The legislature should express opposition to the use of federal funds to support private education and under no circumstances should the legislature consider any legislation that might conceivably result in subsidy for private education. Tuition tax credits and vouchers were viewed by the Commission as facades whose primary purpose is to gain public financial support for private education. The Commission vigorously opposed these ideas.***

From the country's beginning, the public schools have been a fundamental foundation stone of the American society. Even with the available private school option, 90 percent of America's children and young people attend the public schools. The nation can ill afford any diminution of strength in the public schools. Any use of governmental structure to subsidize private schools threatens the very existence of public education as we know it. Commission members agreed that the fundamental threat to the well being of public education that is inherent in governmental subsidy for private education far outweighs any of the arguments about the partial public purpose served by the private schools.

# EDUCATIONAL QUALITY AND ADMINISTRATIVE STRUCTURE

In the 18 months of its existence, the most fundamental and pervasive concern expressed by Commissioners was that every pupil, regardless of place of residence, economic circumstances, or any other factor, should be assured of the best quality education program that the state can provide. The Commission believes that implementation of its recommendations will significantly contribute to the achievement of that basic goal.

The Commission listened to testimony and was provided with information indicating that significant numbers of Oklahoma's pupils do not currently have access to the educational programs they need for living in the late 20th and early 21st centuries. Commissioners believe that part of the problem is that many school districts have found it impractical, with the resources available to them, to develop and offer educational programs that meet acceptable minimum standards.

The final two recommendations of the Commission deal with establishing higher accreditation standards and with the reorganization of school districts. Recognizing that many citizens react vigorously and primarily negatively to proposals for school district reorganization, the Commission emphasizes that it is not the reorganization of school districts per se that is of concern. Instead, it is the establishment of educational programs that meet acceptable standards. If Oklahoma can provide the resources to meet higher accreditation standards within the present organizational structure, the Commission's primary concerns will have been satisfied. If that alternative continues to be impractical, then the Commission's recommendation is that the state proceed with the development of a more efficient organizational structure for its public school system.

## ACCREDITATION STANDARDS

The Commission had several discussions regarding the standards which are used to determine state accreditation in Oklahoma. It became clear to the Commissioners that these minimum state standards are not high enough to ensure that children and young people receive the quality of education they believe each pupil deserves.

The Commission made the following recommendation:

> ***There should be one set of minimum criteria for the evaluation and subsequent accreditation of public school systems in Oklahoma. These criteria should be no less demanding than those established by the North Central Association.***

Since North Central has now established standards for schools at all levels, the Commission believes those standards would represent a good beginning point for establishing accreditation levels for Oklahoma school districts. A substantial number of Oklahoma schools belong to and meet these criteria now.

The Commission is not necessarily endorsing membership in the North Central Association, but is merely using the criteria of that association as a convenient starting point for establishing higher accreditation standards for all schools in Oklahoma. There was also some sentiment among Commission members supporting the visiting committee procedure as a means for periodic review of the educational offerings in schools.

## SCHOOL DISTRICT REORGANIZATION

The number of separate administrative units in Oklahoma's educational system exceeds those of most other states. Maintaining minimally acceptable educational standards in each of these many units is at best expensive and may be impractical. As indicated earlier, the Commission would not find fault if higher standards could be met within the existing structure. If such standards cannot be met, then school district reorganization is an issue that should be faced.

Reorganization of school districts is a statewide issue. Some districts and schools may be too large to provide the personal attention that is consistent with high quality education. In many instances small districts

do not have the resources, financial or otherwise, to provide acceptable programs. Any reorganization plan that is considered must be comprehensive and must address urban as well as rural areas.

The Commission made the following recommendation:

> ***The legislature should assume its responsibility for initiating a comprehensive study of Oklahoma's school district structure. There should be an appropriation that would enable the appropriate legislative committees to employ specialized staff to provide the technical assistance that would make it possible for the committees to develop alternative plans for consideration by the legislature.***

The Commission took seriously its charge to make recommendations for Oklahoma public education for the last two decades of the 20th century. We doubt that the existing school district structure in Oklahoma will or should survive until the year 2000. We believe the Legislature, legal policy making body for the state's public school system, should take seriously its responsibility for dealing with this problem.

# THE COMMISSION'S DREAM

# THE PRELUDE

The 60's and 70's were good for public education in Oklahoma. Still, there were many periods during those two decades when progress seemed interminably slow. Financial resources of the state were growing at a slow rate. Local school districts struggled to make ends meet and there wasn't much help from the state, particularly during the early part of the period. The salaries of teachers barely kept pace with a rate of inflation which was much slower than now.

The Vietnam War caused turmoil in the schools. The frustrations of teachers over low salaries were exhibited in unrest, sanctions, and in the late 70's the first really serious teacher strike in Oklahoma history.

Busing for integration caused controversy in the city districts. People moving from the cities to the suburbs created enrollment declines in the cities and burgeoning pupil populations in the suburban districts. People moving from rural to urban areas created difficulties in many of the rural districts. An increasing number of private schools sprang up to syphon off some of the public school leadership among both pupils and parents.

The organizations of professional educators underwent changes and rifts developed between administrators and teacher organizations. In many instances there were serious communication problems within school districts between school boards, administrators and the teachers.

Federal constraints on the operation of the schools came from the courts, the Congress, and the executive branch. This too, created difficulties for independent minded Oklahoma educators and many of their patrons.

# THE 80's BEGIN

As we reached the 80's, things began to look better. Part of the brighter picture was the incredible improvement in Oklahoma's economy. With its energy resources, its human resources, and its attractiveness as a sun belt state, the state has boomed beyond anybody's wildest expectations of just a few years ago. A state that struggled with its financial resources in the past suddenly found itself with the pleasant problems of trying to decide what to do with financial surpluses each year. At this writing, the country suffers a recession, but Oklahoma continues with its unprecedented prosperity.

In the 80's, busing no longer produces the emotional response that it did a few years ago. Some pupils are beginning to return to the public schools from the private schools. In many instances the exploding population of the suburban districts has moderated to healthy growth. Rural schools have begun to stabilize and the big declines in the city districts seem about to bottom out.

Teachers have received large enough raises to bring average salaries to the point that Oklahoma has moved up a bit in teacher salary rankings among the states. The chances seem good that further increases will come soon.

It seems safe to say that despite the continued existence of a number of problems, there has probably never been a time in Oklahoma when the prospects for the future in education looked better than at the end of 1981 and the beginning of 1982.

The Oklahoma Citizens Commission on Education existed from July 1, 1980 to December 31, 1981. The Commission considered the problems facing Oklahoma education and made recommendations related to those problems. Implicit in the Commission's work were the Commissioners' views about what ought to happen to public education in the future in Oklahoma.

It may be that some of the Commission recommendations will not be implemented, but the Commission feels that Oklahoma schools have the chance to make incredible advancements in the 80's and 90's and that by the year 2000, the Oklahoma public school system could well be one of the lighthouse state systems in the entire country. The schools of 2000 might be as different from the 1980 schools as the schools of 1980 were different from those of the 1920's. That much progress seems to us to be possible for the 80's and 90's.

The Commission speculated about what the Oklahoma school system of the year 2000 might be like. What follows is a semi-fictional description of our speculation. Perhaps it won't happen this way, but we think it could, if the state political and educational leaders demonstrated the determination to fulfill the potential that it appears to us is there.

# JOHNNY AND SUZY GO TO SCHOOL
# — THE YEAR 2000 —

When Johnny and Suzy arrive at school in the modern, energy efficient bus that transports them from their home, they enter a building that was designed for their safety and their comfort. It provides them with an ideal environment for their work in school. It is so energy efficient that it requires less than half of the fuel that was necessary to heat and cool the building it replaced.

The building contains the latest available in instructional technology, all designed to provide Johnny and Suzy with the individualized educational experiences that are most appropriate for them. The library has lots of books, but it also has video tapes, computer terminals, and many other kinds of materials. It has the individual accommodations to allow Johnny and Suzy to use these varied resources at whatever times during the day their teachers feel is appropriate.

## THE TEACHERS

Johnny's and Suzy's teachers are highly qualified professionals. Having gone through not only a rigorous pre-service training program, but also an internship to provide them with hands-on experience, they approach their jobs with the confidence and competence that goes with knowing they survived a program that many who started with them did not. Most of them are specialists. They know the subjects they are teaching in depth and they understand the methods most appropriate for the particular kinds and levels of children and young people with whom they are dealing.

The teachers are paid as professionals, so their salaries compare favorably with professionals in other fields whose education is similarly lengthy and rigorous. The administrators of the schools do not directly supervise the work of these professional teachers any more than hospital administrators supervise the work of medical personnel in hospitals.

In the year 2000 administrators see their roles as facilitators of the work of the teachers. They are also competent professionals who have gone through highly specialized training programs. They don't see themselves as super teachers, but as experts in getting the most from the resources available as they seek the achievement of the identified goals and objectives of the schools. They work skillfully with the board of education and the community in continuous defining and evaluating of what the schools are doing and what they ought to do.

Actually, the school has an educational staff and an administrative staff. The professional teachers with the greatest amount of training and experience and who have exhibited strong commitment to the teaching profession receive salaries that are equal to or sometimes exceed those of administrators. It is no longer necessary for a teacher to become an administrator to do well enough financially to survive. The more experienced and highly trained teachers act as lead teachers and "chiefs of staff" as they work with their younger colleagues in teams to solve the educational problems of the pupils.

## THE CURRICULUM

Johnny and Suzy have a number of common experiences in school, because everybody still needs the skills and tools that are basic to success in school and life. The three R's are still the most basic of those skills, but there are others. For example, in the year 2000 every business uses computers and the skills of computer programming and computer languages are almost essential, even for a prospective grocery clerk. Johnny and Suzy must also learn that their voices in government at all levels are absolutely essential to a democratic society and the school provides many opportunities to practice participation in the decision process.

There are many elective offerings. Some are related to vocational preparation, but many will help Johnny and Suzy as they pursue specialized interests in the fine arts or whatever. Advanced courses in the social sciences as well as science and mathematics, sometimes offering college credit, are available when Johnny and Suzy reach the upper high school years.

The opportunities for non-college oriented persons are far more numerous than they were in 1980. For those who want to pursue the learning of a specific vocational skill, the nearby area vocational-technical

school is available. Many students choose to postpone their formal vocational training until after they have completed the 12th grade. Pupils have the option to continue school at public expense through grade 14 with emphasis in the final two years on specific vocational preparation.

For those who want to work in sales or service fields, there are educational experiences available in the school. Relationships have been established with local businesses so there can be joint educational efforts. Work-study programs are common.

Experiences for pupils with handicaps are also greatly improved over 1980. These pupils spend as much time as possible in the regular classrooms. Specialized equipment and materials are used under the supervision of teachers with high levels of competence in dealing with various kinds of handicaps. Most handicapped pupils have a much better chance of achieving their potential than was the case in 1980.

Johnny and Suzy started to school at age four. Their teachers in the early years were early childhood education specialists. They worked closely with Johnny's and Suzy's parents to help ensure that these crucial early years in school would lead to more productive experiences than might otherwise have been the case in the later years.

## DIAGNOSIS

In the year 2000 schools are much more committed to careful assessment of the educational strengths and weaknesses of each pupil. Johnny and Suzy have participated in an extensive diagnostic testing program administered by the schools. The results, along with many other facts about Johnny and Suzy, are available and can be called up immediately on the computer terminals available to Johnny's and Suzy's teachers. Parents are fully informed of their children's educational strengths and weaknesses and any other data the school may have developed concerning their children. As they reach the necessary maturity levels, Johnny and Suzy themselves are fully informed of all the school knows about them.

## TREATMENT

The information gathered by the school is used to develop individualized educational programs (IEP's) for every pupil in the school. Such activities used to take much of the teachers' time, but with the computerized system that has been developed, teachers spend almost no time in paper work associated with the IEP's. Indeed, the computers have taken over almost all of the paper work that teachers once had to do so that now they devote almost all of their time to their professional responsibilities. In fact, they don't have to spend time anymore in routine drilling of pupils. Computers do that for them.

Even though much is done with the help of computers in our school of the year 2000, there are still classes and Johnny and Suzy interact regularly with their classmates. Not only do they learn some of the subject matter this way, but their teachers make sure that the interaction contributes to their developing the communication skills they need. Pupils do lots of writing and speaking as well as reading and listening.

In the year 2000 almost every pupil spends part of the day in a setting that allows him or her to make use of computers and each pupil also uses the other instructional technology devices and materials that have been developed during the last 20 years. The schools are finally approaching the individualizing of instruction which educators have sought to achieve for so many decades.

School isn't all work and no play for Johnny and Suzy. Indeed, a basic part of what they learn in school is to participate in activities and hobbies that will interest them for their entire lives.

The school has athletic teams and they are just as much involved in competition as ever, but there is a more balanced approach. The old distortions that made athletics the tail that wagged the dog are no longer as obvious. Although there is generous financial support for activities involving the small percentage of pupils who make the competitive teams and the teams have competent coaches, the other pupils have available to them both the adult leadership and the facilities to involve themselves in intramural athletics or whatever else might interest them.

In the year 2000 people are not as hypnotized by television as they were in the 70's and 80's. The use of cable systems and video tapes has become almost universal so that when people do wish to while away an hour or so by being entertained, they can choose from an almost infinite number of choices and can do it at their own time convenience.

Television is probably viewed more critically by most people in the year 2000 than it was in 1980. Johnny and Suzy have learned in school to evaluate what they see on television and are not as mesmerized by whatever appears on the screen as their parents were when they were younger.

## PARTICIPATION

With this freedom from TV compulsion, people are participating more in citizenship duties and other activities that interest them. The physical fitness interests of the late 70's and 80's have grown and are now a basic part of what most people do.

The schools are open most of the time including evenings and weekends. Their excellent facilities are available not only to Suzy and Johnny, but to their parents and other adults in the community. Suzy and Johnny often come to the school with their parents and meet their friends as they pursue hobbies and games that exercise not only their bodies, but their minds.

There are a lot of community meetings that Suzy's and Johnny's parents come to school to attend. The P.T.A. operates more vigorously than ever, but pie suppers and carnivals are almost extinct. Instead, the meetings are most often lively discussions of important issues, usually educational, but sometimes not.

The school board meets in a large, comfortable room, and all citizens are not only allowed but are urged to attend. Everyone's view is heard and the school board often finds it possible to be responsive. The climate nowadays is so open and people participate so frequently in discussions about their schools that the narrow minded, vested interest groups that used to try to influence the decisions of the school board are no longer heard as single voices.

Seeing their parents participate in these kinds of activities has caused Suzy and Johnny to develop greater commitment to citizenship activity than was true of their student counterparts of the 70's and 80's. Furthermore, as indicated earlier, they participate in many of the decisions that affect their schools and they expect to participate as adults in the decisions about their community, and certainly about their state and the nation, wherever they may live.

## FINANCING

Schools are much better financed in the year 2000 than they were in the 70's and 80's. Oklahoma's economy has continued to grow and prosper and the population is significantly greater than it was in 1980.

A substantial part of the money for the operation of Suzy's and Johnny's school comes from the state. The state fully supports the transportation system of the local schools and provides financial help to the school district so it can have high quality school buildings.

There is still a property tax. The problem of uniform valuations across the state was solved some years ago. Suzy's and Johnny's parents and the businesses in the community pay their property tax with minimum reluctance, because they know they are not being treated unfairly. Furthermore, the money from the state is distributed so that the district where Suzy and Johnny live is as well financed as any other in the state. The teachers in Suzy's and Johnny's schools are as economically well off as the teachers in any other school district in the state and are not likely to leave in order to improve their salaries.

There are options available to the local districts. Last year when the school board decided, with the participation of many of the citizens of the community, that they wanted to expand the foreign language curriculum, they simply approved an additional amount in millage to cover the additional costs. The district millage increase was supplemented by the state so that Suzy's and Johnny's district, rather poor in terms of property tax wealth, raised as much money with the additional mills they voted as any other district could raise with the same increase.

There is an employee salary schedule in the district where Suzy and Johnny attend school, but it was worked out by the teachers, the school board, and the administrators at the local level. It's similar to, but yet different from, the salary schedules of other districts. Whatever the final decisions about salaries and other operational matters, they are made locally and with no interference from the state except the establishment of state minimums.

The state doesn't tell Suzy's and Johnny's school district what it must teach, but it requires that the school district meet minimum state standards. Those standards are higher, much higher, than were the standards of the 70's and 80's.

Highly competent persons from the State Department of Education come frequently to the schools. They provide specialized leadership as the school works to develop a curriculum that is appropriate for the pupils in this school district, but which also meets the minimum standards established by the state.

Each year in the legislative session there is debate about how much money should be appropriated for the schools as opposed to the other functions of state government, but the regional divisions that were exhibited among school people in the 70's and 80's no longer exist. School administrators all over Oklahoma recognize that no Oklahoma child is more or less important than any other Oklahoma child. They recognize that the state's wealth is unevenly distributed across the state, but that it must be used to ensure no less than a high quality education for every Oklahoma pupil. Local options about financial support are available to a much greater degree than was the case in the 70's and 80's, but the state's financial support system makes these options equally available in every school district in the entire state without causing unfair variations in taxpayer burden.

There is recognition, too, that some districts have educational problems that others don't have. Pupils coming from poor homes and with special handicaps seem to be concentrated in some districts to a greater extent than in others. The resentment that once accompanied the allocation of larger amounts of the state's limited resources to such districts no longer exists. Everybody knows, now, that the state's economy will permit the funding needed to provide the educational programs that are required for all of the different kinds of pupils, no matter where they might live.

# SUMMARY

All of the Suzys and Johnnys of Oklahoma get an educational program in the year 2000 that is better than their predecessors got in 1980. Their school experiences are less fragmented and better articulated than they were before. The schools provide services that most schools couldn't afford in earlier years. Their parents are more involved in the schools than were their grandparents in 1980.

Their schools are safe and pleasant and have high standards. Their teachers and administrators are professionally competent.

Since the educational programs are better fitted to their needs, Suzy and Johnny are less likely to fail or drop out of school. Not everyone succeeds in school, and there are standards that are applied at all grade levels and at graduation, but because of better diagnosis and more professional treatment, the prognosis for success is much better than it was in 1980.

Because of all of this, the schools have regained the respect in the minds of citizens that many felt they had lost in 1980. There are still private schools, but they do not receive governmental subsidy and they continue to fill the traditional private school role of providing an alternative for those few who choose it.

## POSTSCRIPT

What we've described may seem unduly idealistic. We believe it **can** happen in Oklahoma.

# THE COMMISSION'S WORK

# INTRODUCTION

This section of the Commission's report consists essentially of the materials prepared by the staff for consideration by the Commission. Where the material points to a problem or an issue, if the Commission made a recommendation designed to deal with the problem, there is reference to that recommendation.

Much of the material in this section deals with school finance. That was one of the major thrusts of the Commission and the material was developed and organized to provide information that could be used by Commissoners to acquaint themselves with how schools have been financed in Oklahoma. Some of these staff prepared materials have been used by other groups in their studies of Oklahoma's schools finance system.

The section also contains a brief summary of the school finance legislation that was adopted by the legislature during its 1981 session. This should make it especially useful to those who are interested in comparing the provisions of that legislation with the school finance situation that existed in Oklahoma prior to its adoption.

The section also contains materials relating to other basic issues in Oklahoma education. In many instances these identified issues served as the basis for further investigation by the Commission and for testimony before the Commission by persons representing a variety of points of view.

## THE COMMISSION AND ITS TASK

The Oklahoma Citizens' Commission on Education was created by the legislature and was given the charge to develop a comprehensive plan for public school education in Oklahoma for the last two decades of the century. The intent was that it be truly a citizen commission. Therefore, Commission members were appointed representing various professions and businesses as well as the various geographic sections of Oklahoma.

In order to provide a common knowledge on which to base deliberations during the Commission's existence, the Commission's staff developed a loose leaf source notebook. Commissioners brought the notebook to the meetings and various kinds of additional materials were added to it as the Commission functioned.

Through the materials developed for them, Commissioners came to realize that the public school system in Oklahoma is more complicated than most Oklahomans would imagine. Throughout the work of the Commission, efforts were made to capsulize the information. Where possible, graphs and summaries were used.

A high priority in the early work of the Commission was developing recommendations for basic policies in the financing of public schools. Although adequate financial support will probably always be an issue, the policies that determine how the money shall be raised and how it shall be distributed are equally important. In recent years, debate on these issues has been almost nationwide. That debate had included Oklahoma, and rightly so. A number of serious problems had developed over the years. They called for a comprehensive rather than piecemeal solution and that's where a commission such as this one could make a contribution.

Because of the urgency of the problems in school finance and the fact that they become more complicated and difficult to correct with each session of the legislature, high priority was given that phase of the Commission's work during the early months.

During 1981, the Commission's work shifted to other issues. Input was sought from all Commission members on all issues. The final report of the Commission included quite a number of policy recommendations for Oklahoma for the 80's and 90's. The hope is that a high percentage of these recommendations will be actively supported by most Commissioners and that from their respective positions they can work toward their implementation.

## A BRIEF HISTORY OF EDUCATION IN OKLAHOMA

Oklahoma education began with the creation of Oklahoma Territory in 1890. The school laws of Kansas were adopted for general application to Oklahoma Territory and a system of schools through the eighth grade was established. A Territorial Superintendent of Public Instruction was appointed and a normal school for preparing teachers was established. In 1898 the federal government took control of the schools in the Indian Territory and appointed a superintendent.

With statehood in 1907, provisions were made in the Constitution for each county to elect a superintendent who was then given the authority to establish and largely control the local schools. The first county superintendents divided the counties into school districts. The major criterion for a district was that each school should be within walking distance of the pupils. This process led to the establishment of 5,656 school districts. Mr. E. D. Cameron, who was elected the first State Superintendent in 1909, called for the establishment of rural high schools and a seven month minimum school term.

School finance during the early years was almost exclusively a local matter. Up to 15 mills of ad valorem tax could be levied. As it had when other states came into the union, Congress set aside certain lands in the territory which were to be used to help support the public schools. Some money was also appropriated in lieu of lands and many assumed that the revenue from the Permanent School Fund, which is administered by the School Land Commission, would be sufficient for the State's contribution to the financing of its schools. In reality, the revenue from the lands and the trust funds have not been sufficient to even begin to provide what was needed from the state level. As time passed and it became obvious that more revenue would be needed, portions of various taxes were earmarked for the schools. Some of the larger of these were the automobile and farm truck licenses and a portion of the gross production tax. These continue as significant sources of revenue for schools to the present time.

The first equalization measure was initiated in 1919 when the legislature appropriated $100,000.00 to be distributed to the financially weak schools. Significant equalization, or the policy of providing varying amounts of money to school districts in terms of their relative wealth, was initiated in 1937. That legislature appropriated more than $8,000,000.00 for each year of the biennium for the public schools. From this beginning, the legislature has continued to increase appropriations with each legislative session. The most recent legislature appropriated more than $600,000,000.00 for the public schools.

Several formulas have been enacted from time to time that were designed to equalize resources among school districts. The current formula was adopted in 1971 and will be explained in greater detail in a later section of this report.

## OKLAHOMA EDUCATION'S LEGAL BASE

Long-standing legal precedents have established public education as a responsibility of the various states in the United States. The State Constitution of Oklahoma states in Article XIII, Section 1, that "The Legislature shall establish and maintain a system of free public schools wherein all children of the State may be educated." Further, Section 1A of Article XIII provides that the legislature shall "By appropriate legislation, raise and appropriate funds for the annual support of the common schools." From this it is obvious that the legislature has the prime responsibility for public schools in Oklahoma.

In Oklahoma the legislature has chosen to delegate a substantial part of the responsibility for the support and control of public schools to the local school districts. Title 70, Section 18-101 of the Oklahoma Statutes, indicate that "Maximum public autonomy and responsibility for public education should remain with the local school districts and the patrons of such districts." The statutes also indicate the Legislature's intent that educational opportunity should be relatively equal for all children of the State.

## THE PUBLIC EDUCATION SYSTEM IN OKLAHOMA

One of the real challenges for state government in Oklahoma will be to develop a system of education that can provide equal and adequate education for every child and young person in the state. Such a challenge is not unique to Oklahoma and it should not be assumed that Oklahoma has been any less effective than many other states in its efforts to try to provide education for its citizens.

### The School Districts

Many citizens do not know that Oklahoma's educational system is enormously complex. We are providing education in the public schools in 620 separate administrative units called school districts. Some of these administrative units have less than 50 pupils while the largest may have as many as 100 schools. As shown by the information in Chart #2, most of these school districts are small. Almost 68% have fewer than 500 pupils while less than 7% have more than 2,000 pupils.

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### CHART #2

### DISTRIBUTION OF SCHOOL DISTRICTS BY AVERAGE DAILY ATTENDANCE COUNT

| | PERCENTAGE | NUMBER OF DISTRICTS |
|---|---|---|
| ADA = 0 - 100 | 15.6 | 97 |
| ADA = 101 - 500 | 52.3 | 324 |
| ADA = 501 - 2,000 | 25.5 | 158 |
| ADA = 2,001 - 5,000 | 4.2 | 26 |
| ADA = 5,001 - 20,000 | 2.1 | 13 |
| ADA = 20,001+ | .3 | 2 |

**********

There are many other differences. Some school districts are located in sparsely populated areas where one must travel miles between neighbors. Others serve areas where there are several hundred pupils within one square mile. Some have high concentrations of the urban poor while others have the unique problems associated with the rural poor. Some have large concentrations of minority group persons and some have no minorities at all. Some are led by highly competent and gifted administrators while others are less fortunate. Some have facilities that are so plush they would rival any facilities in any school, public or private, in the entire country. Others have facilities that are so poor they are unsafe.

Some school districts have a curriculum that would be considered highly innovative and unique. Some have highly traditional curriculums. Some have a myriad of extra-curricular activities of all types and kinds. Others have virtually none. Some have facilities and programs for the handicapped that would be the envy of any school district anywhere. Others have little or no opportunities for the handicapped.

In some school districts many of the parents are interested in and involved with the school. In other districts parents are almost universally uninvolved. In some districts the school board is truly a policymaking body. In others school board members meddle unconscionably in the operations of the schools.

It would be possible to cite many other differences, but the point is made. Each of the 620 school districts in Oklahoma has specific characeristics that make it somewhat to very much different from any other district.

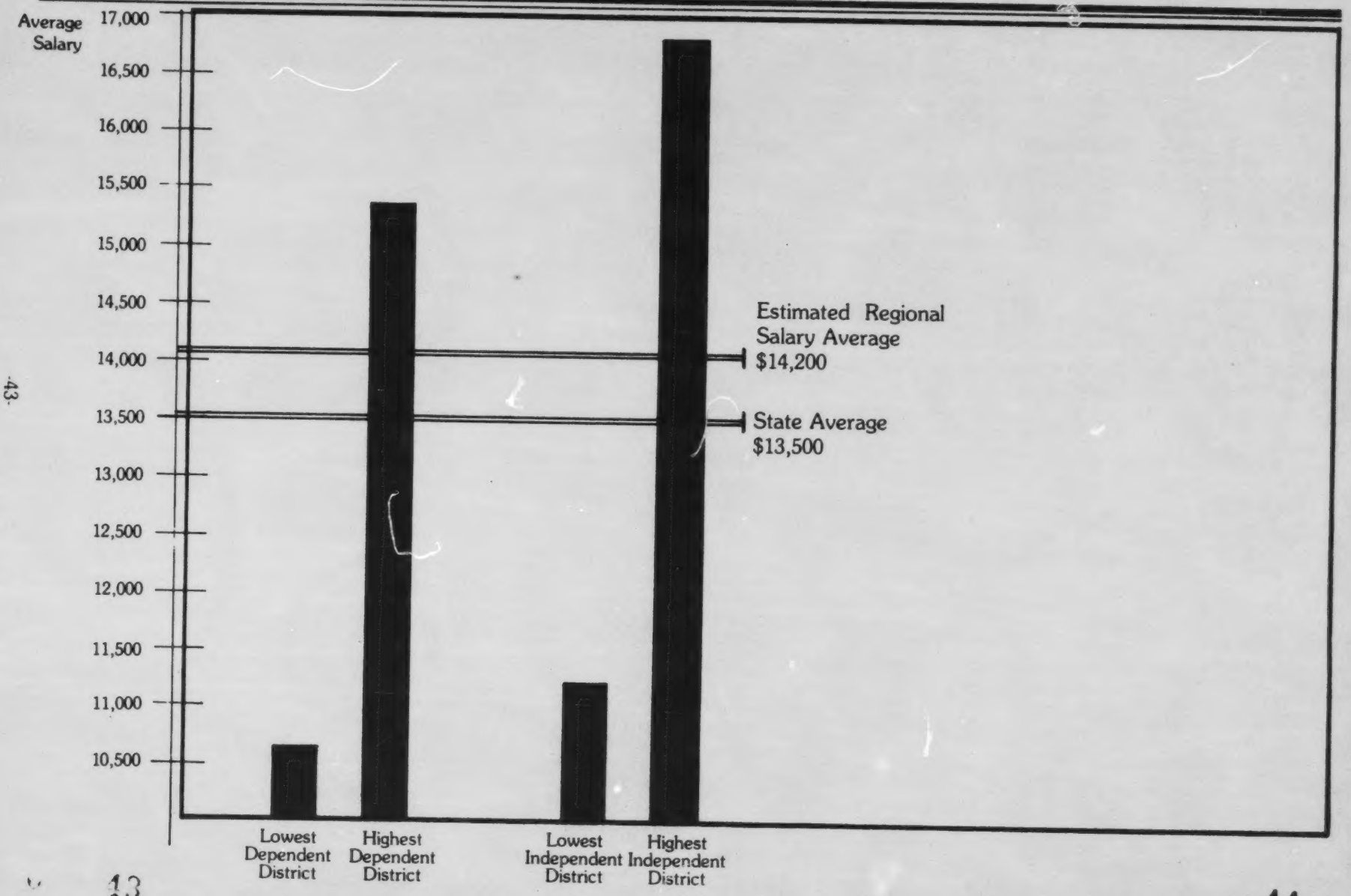
## Generalizations

As can be seen from the description of the organizational pattern of school districts, valid generalizations about schools in Oklahoma are limited in number. For example, in recent years the legislature has been mandating salary increases for all teachers. There is frequently discussion in the media and elsewhere about how Oklahoma's teachers' salaries compare with those in surrounding states and with the nation as a whole. The figures given, which are average, are undoubtedly accurate. Still, as shown in Chart #2, the range of average teaching salaries among school districts in Oklahoma is enormous. Many districts find it impossible, because of their fiscal capacity, to do anything other than pay the state minimum salary schedule. Other districts are able to pay far more and in some instances school districts in Oklahoma are paying salaries that are higher not only than the regional average, but the national average as well.

By the same token, some districts can provide comprehensive curriculums at the high school level that give opportunities to students for a wide variety of educational experiences, while other districts must limit their offerings to the bare minimums required by the state for accreditation. The breadth of offerings is not always directly related to the number of dollars available per pupil. The small districts, and as has been pointed out previously most districts in Oklahoma are small, must limit their offerings because of the numbers of pupils they serve. It is impractical to offer a course if there are only two or three students in a high school who would be interested and qualified to take it.

Many other examples could be given of the range of differences of public school education in Oklahoma. Nevertheless, there are some commonalities. To some extent this is ensured by the fact that the state has established minimum standards which school districts must meet if they are to be accredited. Among the issues that the Commission explored is the adequacy of those standards and the degree to which the state should insist on defining what education in the various localities must be.

# Average Classroom Teachers' Salary Range 1979-80



# REVENUE SOURCES FOR PUBLIC SCHOOLS

One of the reasons that school finance seems complicated to many is that money comes to school districts from all three governmental levels — local, state, and federal. Furthermore, at each level there are several different revenue sources, each with different constraints and often designed to serve different needs. This means that school districts in Oklahoma may have 40 or more sources of revenue. That is illustrated by Chart #3 which shows the sources of revenue for a recent year in an actual school district.

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**CHART #3**

**REVENUE SOURCES FOR A SCHOOL DISTRICT**

**LOCAL**

Ad Valorem Taxes
Insurance Recoveries
Sale of Equipment
Refund of Prior Payments
Back Taxes
Student Fees
Tuition
Gifts and Donations
Resale Property
Rental of School Facilities
Interest on Investments
Reimbursement for Supplies and other Miscellaneous

**COUNTY**

County 4 Mill Levy
County Apportionment

**STATE**

Gross Production Tax
Boat & Motor Taxes
Gifted & Talented
Special Education
Employee Salary Increase
Salary Reimbursement Vocational Dept.
Other Reimbursement Vocational Dept.
Auto License Tax
REA Tax
Tax Stamps
Driver Education
$800 Guarantee
House Trailers & Mobile Homes
Support Personnel Salary Increase
State School Land Earnings
Foundation & Incentive Aid
$800 Teacher Salary Increase
$600 Teacher Add Increase
Elementary Counseling
Minimum Allocation Guarantee
1979-80 Teacher Salary Increase

**FEDERAL**

PL 874 Impact Aid
Discretionary PL 94-142
Title IV B
Adult Basic Education
Pass Thru PL 94-142
Title I ESEA
Title IV C Shape
Indo-Chinese Refugee Program

**SPECIAL PROGRAMS**

Library Media Improvement
Arts in Education
Nutrition Education Grant
Oklahoma Humanities Program
Science Program Reimbursement

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What we will attempt to do in the following sections is describe what these sources are and how they are determined and allocated. We will begin with the local sources, then we will describe the state sources, and finally we will provide an overview of federal sources.

## LOCAL REVENUES

The Constitution and the Statutes of Oklahoma authorize local school districts to raise money through ad valorem (property) taxes. The following levies have been authorized with the requirements and constraints as indicated:

1. Upon certification of need through a legally published "Estimate of Needs," a Board of Education can levy **15 mills** against the assessed valuation of the district for the support of schools.

2. Each County Excise Board has control of 15 mills of state mandated ad valorem tax that is to be distributed among the county, the municipalities, and the school districts within the county. The Constitution requires that 5 of the 15 mills must go to the schools. No County Excise Board authorizes more than 5 mills for its school districts. Therefore, through the County Excise board, another **5 mills** of ad valorem tax on the district's assessed valuation is levied.

3. The Constitution also provides that at the option of voters in the district, up to an additional 5 mills may be levied under an issue called the "Emergency Levy." Therefore, if a majority of the voters in the school district in the annual school election votes for it, an additional **5 mills** can be levied against the assessed valuation of the district.

4. Another constitutionally authorized levy is called the "Local Support Levy." Again, at the option of the voters, up to an additional 10 mills can be levied against the assessed valuation of the school district. Thus, if the voters authorize it by a majority vote in the annual school election, another **10 mills** can be levied.

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The above described four levies add up to 35 mills that can be levied for General Fund purposes in each school district. That money is used to pay teachers and other personnel, pay the utility bills, and whatever other operational expenses the district may have. All but a very few school districts in Oklahoma levy the full 35 mills and the optional levies are approved by the people without much question in most of the districts.

### Additional Levies

1. An additional levy that contributes to the General Fund of all school districts is a 4 mill county-wide levy that is imposed in every county. Originally, this levy was authorized for use in the support of "separate" schools. When segregation by race was declared unconstitutional, Oklahoma promptly complied at least in the sense of eliminating this separate fund. It was simply added to the General Fund revenues of the districts. It is allocated to the districts in each county on the basis of the percentage of pupils in the county who attend school in each district. All other levies are by school districts.

2. The Constitution also authorizes each district, at the option of the voters, to levy up to 5 mills for a "Building Fund." This fund is kept separate from the General Fund and its use is restricted. For example, the money in it cannot be used to pay the salaries of teachers. The original intent was that this would provide a "pay as you go" approach to the building of buildings. That long ago became unrealistic for most districts and the money is now most commonly used for maintenance and the purchase of furniture and equipment.

3. The Constitution authorizes school districts to borrow up to 10 percent of their assessed valuation through bond issues for capital outlay purposes. For example, if a district had an assessed valuation of $50,000,000, it could issue bonds to borrow money up to $5,000,000. The bond issue must be authorized through a vote of the people and it must receive the approval of 60 percent of those voting. If the bond issue is approved and the bonds are sold, a levy is set that will yield enough revenue to pay the principle and interest on the bonds. The millage rate is determined by the term length of the bonds (5 years, 10 years, etc ), the amount of the bonds, and the interest rate on the bonds. The levy is called the "Sinking Fund Levy." Some districts have levies in this category that are more than 30 mills.

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The preceding sections describe the levies that can be authorized under the Constitution in Oklahoma. They are summarized in Chart #4.

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## CHART #4

## LOCAL REVENUE SUMMARY

### GENERAL FUND

| AMOUNT | AUTHORIZATION |
|---|---|
| 15 mills | School Board |
| 5 mills | County Excise Board |
| 5 mills (Emergency Levy) | Majority of Voters |
| 10 mills (Local Support Levy) | Majority of Voters |

TOTAL 35 mills for General Fund, plus a portion of county-wide 4 mill levy divided among districts by pupil population.

### BUILDING FUND

| AMOUNT | AUTHORIZATION |
|---|---|
| 5 mills | Majority of Voters |

### SINKING FUND

| AMOUNT | AUTHORIZATION |
|---|---|
| Variable (Debt cannot exceed 10% of Valuation) | Bond Issue (Approved by 60% of the Voters) |

**********

### *RELATED COMMISSION ACTION*

***The Commission found the annual election procedure to be expensive and to serve no useful purpose. Therefore, it made recommendations that are included in the recommendation section for constitutional amendments to eliminate the necessity for an election every year in every school district in the state. In line with its commitment to local participation in the decision process, the Commission's recommendation provides opportunity for the local tax payers to take initiative in reducing or increasing millage rates.***

## STATE REVENUES FOR SCHOOL DISTRICTS

Over the decades, the Legislature has earmarked certain taxes that are to be reserved for schools. These revenues come to schools without going through the appropriation process of each legislative session. Except for the school land earnings the earmarking of these monies is statutory and could be changed by the legislature. The major ones of these are listed below.

### State Dedicated Revenues

1. **Motor Vehicle Stamp Tax.**
   At the end of each calendar month, the County Treasurer apportions 49% of the collections from the sale of motor vehicle tax stamps to the schools of the county on the basis of average daily attendance (ADA).

2. **Gross Production Tax.**
   One-tenth of this tax on oil, gas and other underground minerals produced within a county goes to the schools within that county. The revenue is then apportioned by average daily attendance (ADA).

3. **Auto License Tax.**
Ninety-five percent (95%) of the tax on each license tag sold is set aside for the schools by county. The money is apportioned on the basis of average daily attendance (ADA) by the County Treasurer.

4. **Boat and Motor License Tax.**
Half of ninety-seven percent (97%) of all motor boat fees collected for watercraft which are moored, docked, used or located in the county are apportioned to the county. This forty-eight and a half percent (48.5%) is allocated to the districts by the County Treasurer, based on ADA.

5. **Mobile Home License Taxes.**
Ninety-five percent (95%) of these taxes are distributed to the County Treasurer for the school district in which the mobile home registration certificate designates as its location.

6. **REA Tax.**
Ninety-five percent (95%) of the tax on rural electric installations within the school district is distributed by the County Treasurer.

7. **School Land Earnings.**
Sometimes referred to as the state apportionment, this is the money earned by the holdings of the School Land Commission as set out in Article XI of the Oklahoma Constitution. Revenue is apportioned to schools across the state on the basis of the legal enrollment (cumulative entries into a school district, grades kindergarten through 12, for one school year).

### Oklahoma's Existing Equalization Formulas (1980)

The Legislature has had long-standing expressed interest in local autonomy and equalization. To implement that concern, the various Legislatures have adopted different kinds of formulas over the years designed to distribute money to the 620 school districts in accordance with need.

All of these formulas have had their limitations. Some are fundamental and arise from state constitutional constraints. The specific problems relating to those constitutional restrictions will be described in a later section.

Other constraints arise from the political problems involved in any proposal to redistribute resources among local school districts. Various special interest groups have also been successful in influencing the legislature to respond to their particular interest. Nevertheless, the current formulas, adopted in 1971, represented a good faith effort on the part of the legislature to equalize resources among school districts throughout the state.

### Foundation Aid and Incentive Aid

Chart #5 is the calculation of Foundation Aid for a mythical school district. Enrollments and evaluations were arbitrarily set at round numbers so that it would be easier to follow the calculations.

The concept underlying Foundation Aid is that a given figure per pupil, established by the Legislature, is to provide a minimum level of guaranteed education for every child in every school district throughout the state. The figure adopted at the elementary level by the most recent Legislature (prior to 1981) was $372.00 per pupil. For each secondary pupil, that figure is multiplied by 1.2, on the assumption that secondary education is more expensive than elementary education. Therefore, the figure for secondary pupils (grades 7-12) is $446.40.

The base figure for distribution of money is determined simply by multiplying these given amounts by the number of students in average daily attendance in each school district.

Subtracted from the base amount are a number of items that are called "chargeable." These items of revenue presumably reflect the capacity of the local district to raise money on its own.

**********

## CHART #5

### FORM FOR CALCULATING STATE AID

| | | |
|---|---|---|
| | 1. Elem. ADA 1979-80 500 x $372 = | $186,000 |
| | 2. Sec. ADA 1979-80 500 x $446.40 = | $223,200 |
| | 3. Line 3 ..... TOTAL | $409,200 |

### SUBTRACT CHARGEABLE INCOME

| | | |
|---|---|---|
| Up to 10% down to 12% | 4. 1979 Net Assessed Val. x 15 mills 10,000,000 x 0.15 = | $150,000 |
| | 1978 - 1979 Collections of: | |
| | 5. 75% of County 4 mill | $30,000 |
| | 6. School Land | $3,000 |
| | 7. Gross Production | $10,000 |
| | 8. Auto License | $100,000 |
| | 9. R.E.A. Tax | $5,000 |
| | 10. Line 10 ..... TOTAL | $298,000 |
| | 11. Line 11 (Line 3 total minus line 10) | $111,200 |

### ADD THE FOLLOWING

| | | |
|---|---|---|
| | 12. Transportation: (ADH x Per Capital) 300 x 75 x 1.31 = | $29,475 |
| | 13. Special Education 5 Programs x $6500 = | $32,500 |
| | 14. Vocational Programs | |
| | 1 Vo. Ag. x $6000 = | $6,000 |
| | 2 Other x $4000 = | $8,000 |
| | 15. Line 15 ..... TOTAL | $75,975 |
| | FOUNDATION AID - Line 11 Plus Line 15 | $187,175 |

The first of these chargeable items is 15 mills times the total assessed valuation of the school district. This is the 15 mills that can be levied by the board of education without a vote of the people. It is obvious that the higher the assessed valuation of the district, the higher the figure will be for the 15 mill chargeable item.

The other chargeable items include the revenue received from auto and farm license tags, the revenue received from the School Land Fund earlier described, 75% of the revenue from the 4 mill county-wide levy, the revenue received by the school district from the gross production tax, and the revenue received from the tax on rural electric cooperatives.

All of the figures from each chargeable item are added together and the total amount becomes what is known as minimum program revenue. That total figure is then subtracted from the base amount that was determined previously and the difference is the amount of Foundation Aid received by the school district. If

the total of the chargeable items exceeds the base amount, the district does not return money to the state, but simply receives none. There were 228 districts in Oklahoma that did not qualify for any of this money in the 1979-80 school year.

Technically included as a part of Foundation Aid are flat grants for special education, vocational education, and transportation. For each special education class, the district receives $6,500. For each vocational education class the district receives $4,000. There is an adjustment for vocational agriculture to take account of the fact that agriculture teachers work two months in the summer. The amount received for transportation aid in each district is determined by multiplying the number of students transported by a factor derived from a density table relating to the number of students per square mile in the district. A third factor, 1.31 this year, is arbitrarily established by the legislature and is then multiplied by the previous product to determine the total transportation aid.

Another substantial portion of state aid is called Incentive Aid. Chart #6 is calculation of Incentive Aid for the same mythical school district as used in illustrating the calculation of Foundation Aid.

The Incentive Aid portion of the equalization formulas was adopted in 1971 at the same time as the Foundation Aid portion. It was designed to encourage districts to vote the full amount possible for local support - hence, the name Incentive Aid. In reality, very few districts, only the wealthiest, fail to vote the full millage amount allowable by the Constitution, so the incentive feature in the formula is virtually inoperable.

**********

## CHART #6

## INCENTIVE AID

| | | |
|---|---|---|
| 1. | District Valuation divided by District ADA = Dis. Val. per ADA | 10,000 |
| 2. | District Val. per ADA divided by 11, 237 = District Wealth Ratio | .890 |
| 3. | District Wealth Ratio x .550 = Local Support Ratio | .489 |
| 4. | 1.0000 - Local Support Ratio = State Support Ratio (min. - .4150; max. - .8350) | .511 |
| 5. | State Average Support per Mill (11,237 ÷ .550 = Support Level) | 20.43 |
| 6. | 20.43 x State Support Ratio = State Support Per Mill | 10.44 |
| 7. | State Support Per Mill x Mills Levied Above 15 = Matching Grant | 208.80 |
| 8. | Matching Grant x Dist. ADA = Incentive Aid | $208,800 |
| | TOTAL STATE AID | $395,975 |

**********

What happens in the Incentive Aid formula is that various factors interact to provide some degree of equalization for the 20 mills above the 15 that are included in the Foundation Aid portion of the formula. A district wealth ratio is determined by dividing the average assessed valuation per pupil of each district by the average assessed valuation per pupil for the state. The legislature sets an arbitrary figure which they have called the local support factor to determine the amount that will be allocated to Incentive Aid. For several years that has been .55. They have also established a minimum and a maximum that are determined by factors in the formula. That means that there is a range of Incentive Aid wherein no district, regardless of wealth, receives less than the minimum. The maximum insures that no district will receive more than a given amount at the top of the range. The ratio is about two to one. In other words, the poorest districts receive about twice as much as the richest.

### Flat Grants for Teachers' Salaries

Since 1973, the legislature has appropriated most of its increased available funds for mandated increases in teachers' salaries. Those programs for teacher salary increases have taken somewhat different patterns each time the legislature has met. These range from simply across the board increases to the current situation in which a relatively complicated state salary schedule has been adopted. The legislative action has the result of allocating flat grants for teacher salary increases. When money is provided for an increase in a given year, the state must continue to provide that money each year thereafter. Consequently, the teacher salary increases as flat grants have accumulated to the extent that in the recently passed appropriation bill, the largest portion of the appropriation, more even than the money appropriated for Foundation and Incentive Aid, has gone to financially support flat grant salary increases that have been given during the last seven years. Of the more than $517,000,000 appropriated for education in 1980, $276,000,000 were appropriated for teachers' salaries as a flat grant in the school budget.

### Additional State Earmarked Appropriations

1. **School Lunch Allocation.**
   Funds for this program are provided under the National School Lunch Act of 1946. The program is carried out jointly by the United States Department of Agriculture and the State Department of Education and must be non-profit. The present system of financing consists of a formula for appropriating funds based on the number of Type A lunches served the previous year and the assistance need rate. The lunches must be available to all children, specifically those determined to be needy who are eligible for meals on a free or reduced cost basis.

2. **Free Textbook Allocation.**
   The State Board of Education determines the amount of money to be allocated to the school districts on a per pupil basis by the number of pupils enrolled the preceding school year. For the school year 1980-81 the allocation was approximately $15 per pupil. This money may be used only to purchase those textbooks and supplementary materials on the state-approved list and unused portions may be carried over by the district into the next fiscal year.

3. **Driver Education Allocation.**
   The state allots to the local district an amount equal to the actual cost but not to exceed thirty-five dollars ($35) per pupil completing the course. The cost of the program may include, but is not limited to, the cost of replacement of automobiles or machinery used in instruction, the cost of the instructors' salaries, and the upkeep and maintenance of automobiles.

4. **Indian Education.**
   Engendered by the Johnson-O'Malley Act of 1934, and begun in Oklahoma in 1936, this program provides money through the Bureau of Indian Affairs and the State Department of Education to school districts in the eastern half of Oklahoma. The funds assist local schools in providing increased educational services to those children who possess at least one-quarter Indian blood. Money for Indian children in the western half of the state is provided directly from the Bureau of Indian Affairs.

5. Additionally, the Legislature appropriates funds for various other programs such as elementary counseling, library media and the arts.

## ADDITIONAL FINANCE FACTS

To illustrate some of the points that we are making about the complexities of the Oklahoma school finance situation, we have done some comparisons to show contrasts among school districts. We have also prepared some graphs to illustrate the evolution of Oklahoma school finance to its present status. These are contained in this section.

### The Effects of Federal Aid

Chart #7 provides information to show that large amounts of federal aid sometimes overcome inequities that would otherwise exist. As can be seen, these are two school districts in Oklahoma that have the same number of pupils. District B has a much higher assessed valuation and therefore more than twice as much

local revenue. The difference in total revenue is altered slightly by state aid, but the big difference is the fact that District A received much more in federal aid than District B. The effect of federal aid in this comparison is to bring about a revenue difference that means District A, which otherwise would have received less per pupil than District B, actually receives $183 more per pupil.

**********

**CHART #7**

**FEDERAL AID (FY '79)**

| | DISTRICT A | DISTRICT B |
|---|---|---|
| ADA | 17,284 | 17,368 |
| Value of Real Property | $62,488,570 | $161,034,760 |
| Value of Personal Property | $12,726,210 | $39,538,405 |
| Value of Public Services | $21,007,237 | $12,917,146 |
| Total Net Valuation | $96,222,017 | $213,490,311 |
| Per Capita Valuation | $5,564 | $12,292 |
| Local and County Revenue | $4,356,894<br>$252 Per Capita | $9,011,434<br>$519 Per Capita |
| Dedicated Revenue and State Misc. | $2,191,978<br>$127 Per Capita | $3,513,379<br>$202 Per Capita |
| State Aid | $13,596,686<br>$786 Per Capita | $9,026,500<br>$520 Per Capita |
| Federal Aid | $5,016,672<br>$290 Per Capita | $530,950<br>$31 Per Capita |
| TOTAL PER CAPITA | $1,455 | $1,272 |

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## AUTO LICENSE REVENUE VARIATIONS

Although the variation in per capita revenue from auto license tags is not as great as those from other tax sources, Chart #8 contains information showing that there are often significant differences. District B is not as wealthy as District A. Even though that is the case, it actually received less in state aid than District A. The difference was further exacerbated by the fact that District A received twice as much per capital from auto license revenue as District B.

**********

## CHART #8

## AUTO LICENSE TAX (FY '79)

| | DISTRICT A | DISTRICT B |
|---|---|---|
| ADA | 717 | 762 |
| Value of Real Property | $2,368,335 | $1,338,130 |
| Value of Personal Property | $635,865 | $439,560 |
| Value of Public Services | $534,187 | $1,098,984 |
| Total Net Valuation | $3,538,387 | $2,876,638 |
| Per Capital Valuation | $4,935,017 | $3,775 |
| Local and County Revenue | $235,822<br>$329 per capita | $117,071<br>$154 per capita |
| Dedicated Revenue and State Misc. | | |
| Auto License | $116,236 | $61,091 |
| Other | $64,550<br>$90 Per Capita | $39,133<br>$51 Per Capita |
| State Aid | $598,390<br>$835 Per Capita | $630,345<br>$827 Per Capita |
| Federal Aid | $96,445<br>$135 Per Capita | $82,318<br>$108 Per Capita |
| TOTAL PER CAPITA | $1,551 | $1,220 |

**********

### Gross Production Tax Variations

Gross production tax revenue varies substantially from one county to another. In Chart #9 the information in two similar sized Oklahoma school districts illustrates the point. District A is actually better off in property assessed valuation than District B. Still, District A receives more state aid per capita than District B as well as more federal aid. The situation is made even worse by the fact that District A receives more than five times as much per capita in gross production tax as District B. The difference in total revenue per pupil is nearly $500.

**CHART #9**

**GROSS PRODUCTION TAX (FY '79)**

| | DISTRICT A | DISTRICT B |
|---|---|---|
| ADA | 424 | 345 |
| Value of Real Property | $2,749,135 | $4,348,891 |
| Value of Personal Property | $2,778,215 | $955,762 |
| Value of Public Services | $2,151,787 | $1,102,135 |
| Total Net Valuation | $7,679,137 | $6,406,788 |
| Per Capita Valuation | $18,111 | $18,570 |
| Local and County Revenue | $299,706<br>$707 Per Capita | $246,444<br>$714 Per Capita |
| Dedicated Revenue and State Misc. | | |
| Gross Production | $80,575<br>$190 Per Capita | $11,712<br>$34 Per Capita |
| Other | $110,489<br>$261 Per Capita | $67,215<br>$195 Per Capita |
| State Aid | $273,283<br>$645 Per Capita | $208,399<br>$604 Per Capita |
| Federal Aid | $165,891<br>$391 Per Capita | $56,140<br>$163 Per Capita |
| TOTAL PER CAPITA | $2,194 | $1,710 |

**Public Service Property**

The information in Chart #10 demonstrates the impact on the revenue of school districts of the presence of public service property such as an electric generating plant. District A and B are similar in size and in most other ways, but District A has the generating plant which is assessed at a high ratio by the state. Locally generated revenue for District A, then, is more than four times as much per capita as District B. District B gets more state aid, but it by no means corrects the inequity. The final result is that District A has $450 per pupil more to spend than District B.

Another effect of this situation is that District A has a bonding capacity more than three times greater than District B. Therefore, District A can afford to build more than adequate school housing facilities while District B would undoubtedly have difficulty in providing even minimally adequate buildings.

## CHART #10

## PUBLIC SERVICE VALUATION (FY '79)

| | DISTRICT A | DISTRICT B |
|---|---|---|
| ADA | 1,419 | 1,613 |
| Value of Real Property | $4,316,343 | $5,135,520 |
| Value of Personal Property | $427,039 | $525,310 |
| Value of Public Services | $29,239,191 | $3,602,046 |
| Total Net Valuation | $33,802,573 | $9,262,876 |
| Per Capita Valuation | $23,821 | $5,743 |
| Local and County Revenue | $1,254,470<br>$884 Per Capita | $353,323<br>$219 Per Capita |
| Dedicated Revenue and State Misc. | $263,349<br>$186 Per Capita | $239,493<br>$148 Per Capita |
| State Aid | $793,975<br>$560 Per Capita | $1,272,345<br>$789 Per Capita |
| Federal Aid | $119,179<br>$84 Per Capita | $172,263<br>$107 Per Capita |
| TOTAL PER CAPITA | $1,714 | $1,263 |

The graph on page 55 shows what has happened to the annual salaries of teachers during the last 50 years. They have obviously increased dramatically. Still, when adjusted to account for inflation, the increases in recent years have been barely sufficient to keep the salaries of teachers high enough to overcome inflation.

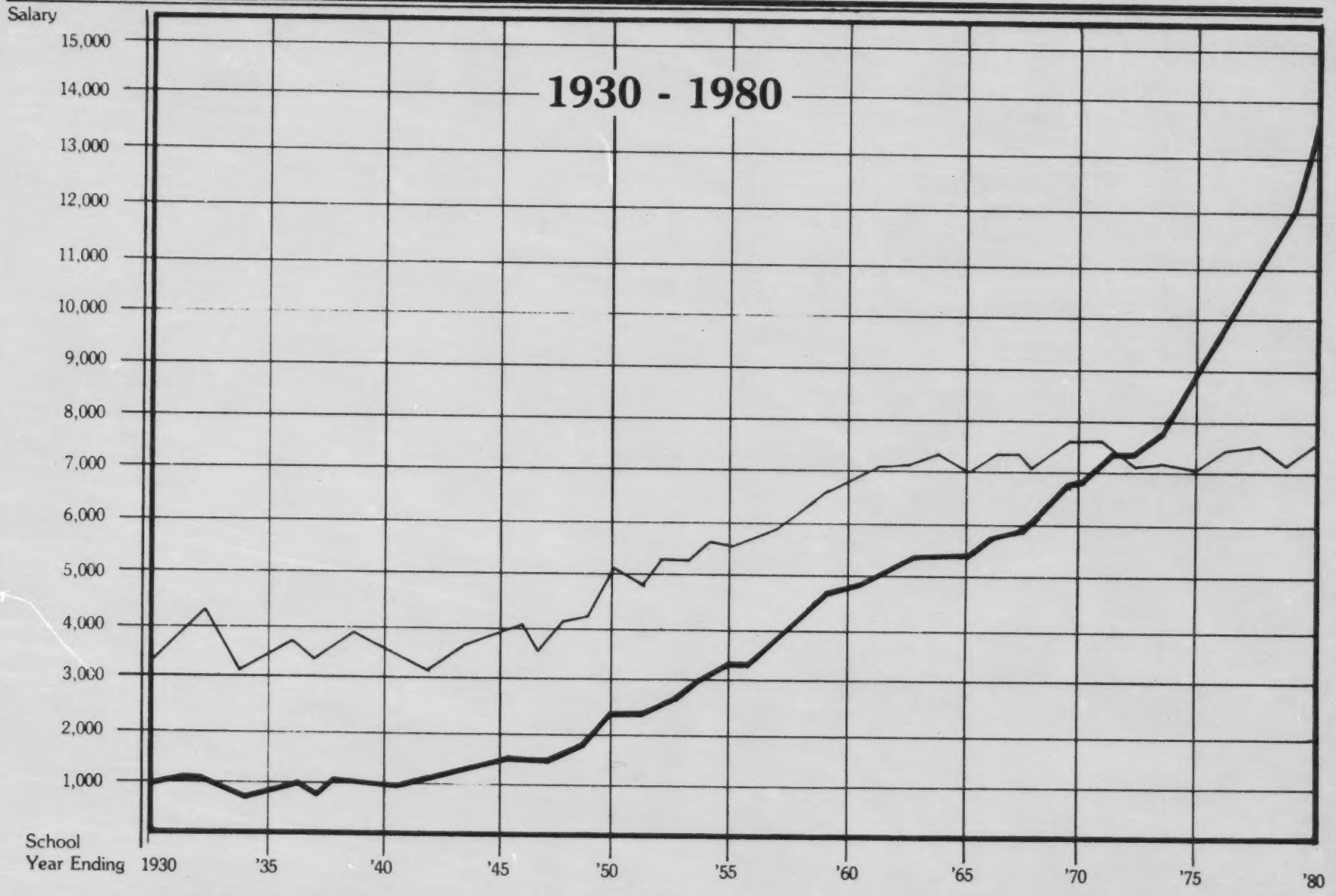
The graph on page 56 illustrates the fact that the minimum salaries for beginning teachers vary substantially. Of the 620 school districts, 261 start their teachers at the state minimum.

The graph on page 57 shows what has happened to the pupil populations in Oklahoma during the past 50 years. At present we are in a declining period, even though the state is growing in population. The decline is because the birth rate is down so much that it more than offsets the increased number of families in the state.

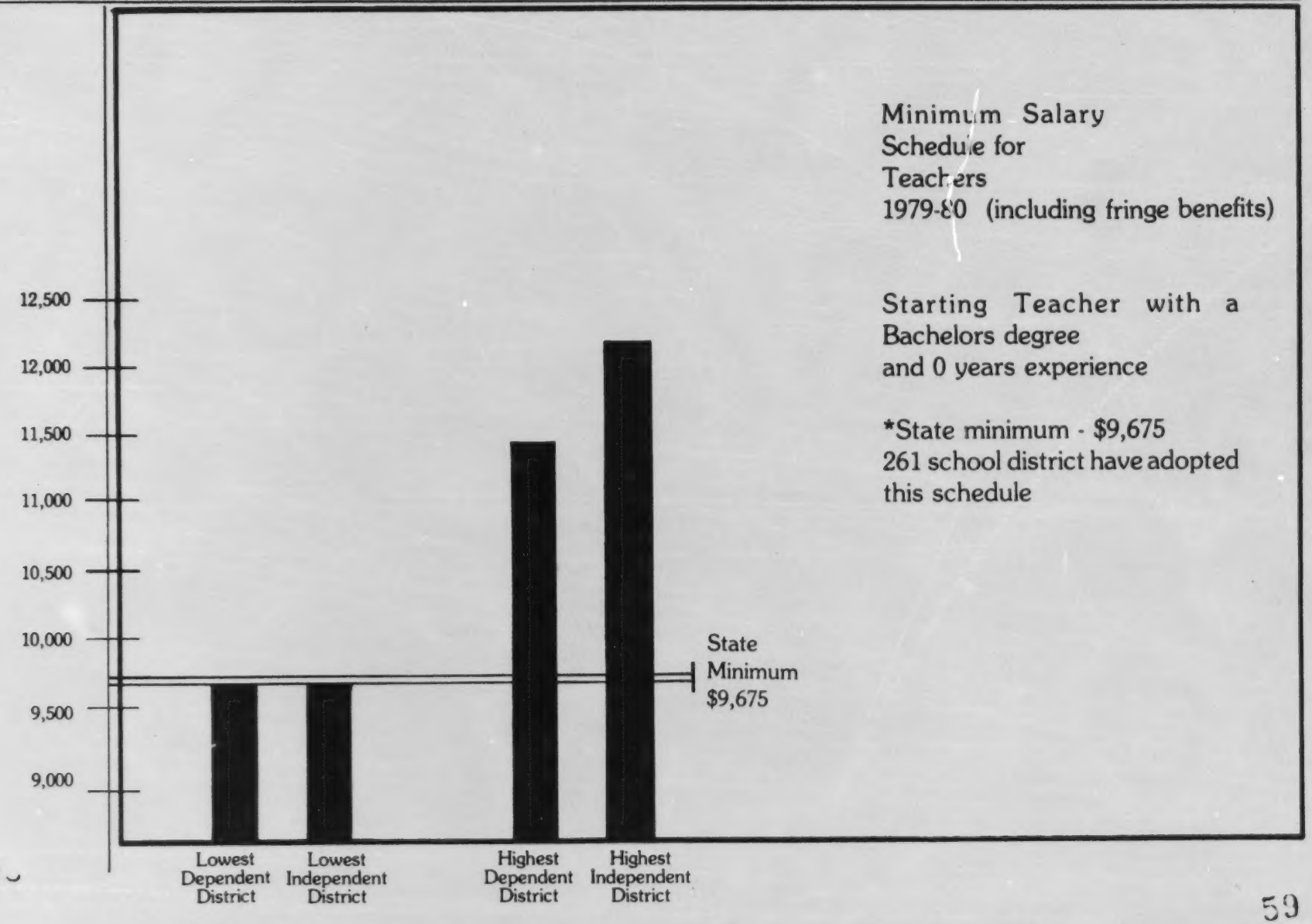
The graph on page 58 shows the trend in the last decade toward an increasing percentage of Oklahoma school revenue coming from the state with a consequent decline in the local percentage. It is interesting that federal revenue and dedicated revenue have remained the same, percentagewise, throughout the decade.

The graph on page 59 shows what has happened to legislative appropriations in recent years. In 1972, almost all of the money was appropriated through the formulas and very little in flat grants. By 1980, the flat grant percentage was significantly more than money going through the formulas.

# Average Annual Teacher Salary - Adjusted for Inflation



# Range of Starting Minimum Salaries for Teachers with a Bachelor's degree & 0 years experience 1979-80

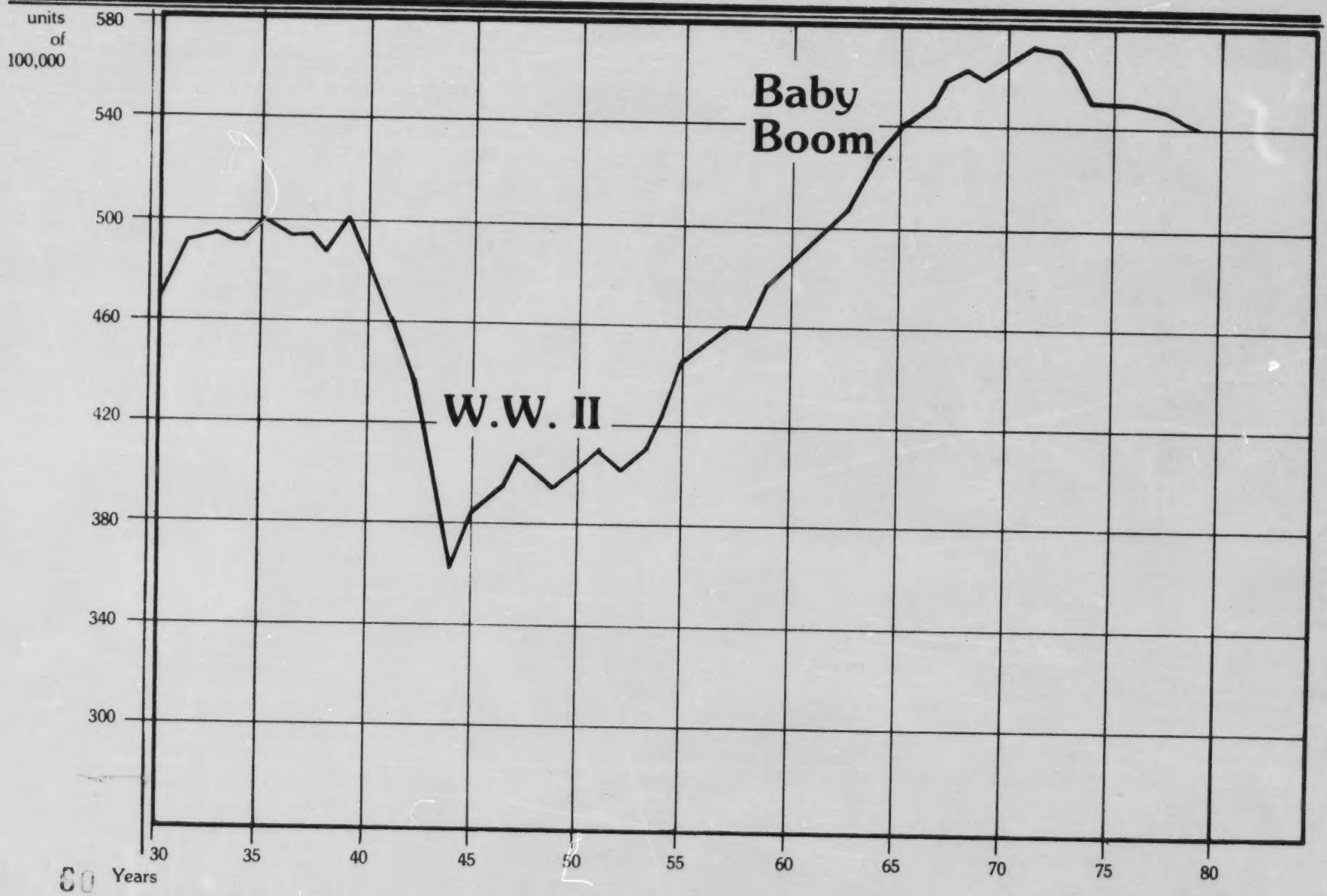



Minimum Salary
Schedule for
Teachers
1979-80 (including fringe benefits)

Starting Teacher with a
Bachelors degree
and 0 years experience

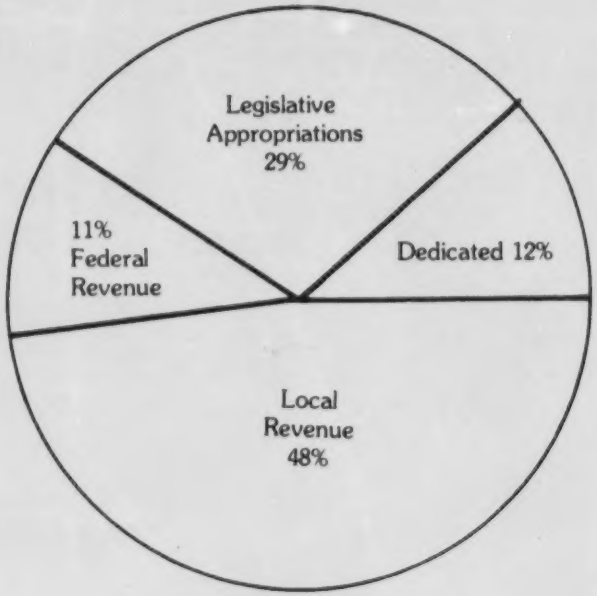
*State minimum - $9,675
261 school district have adopted
this schedule

# State A.D.A. - 1930 to 1979

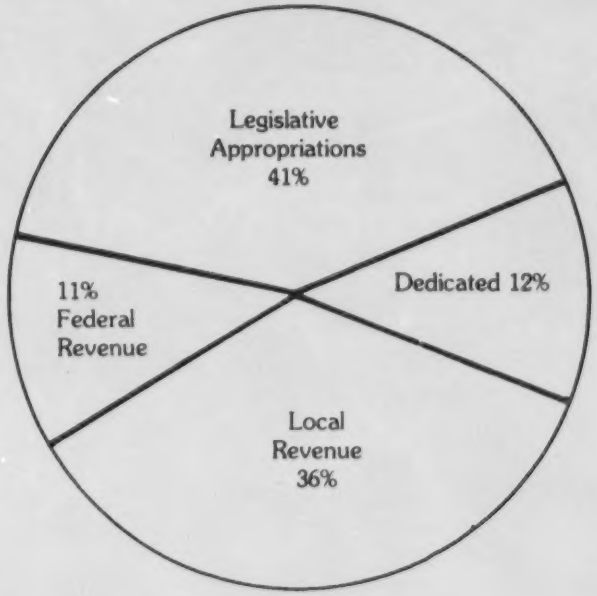


# Comparison of Source of Revenue between 1970/71 and 1978/79

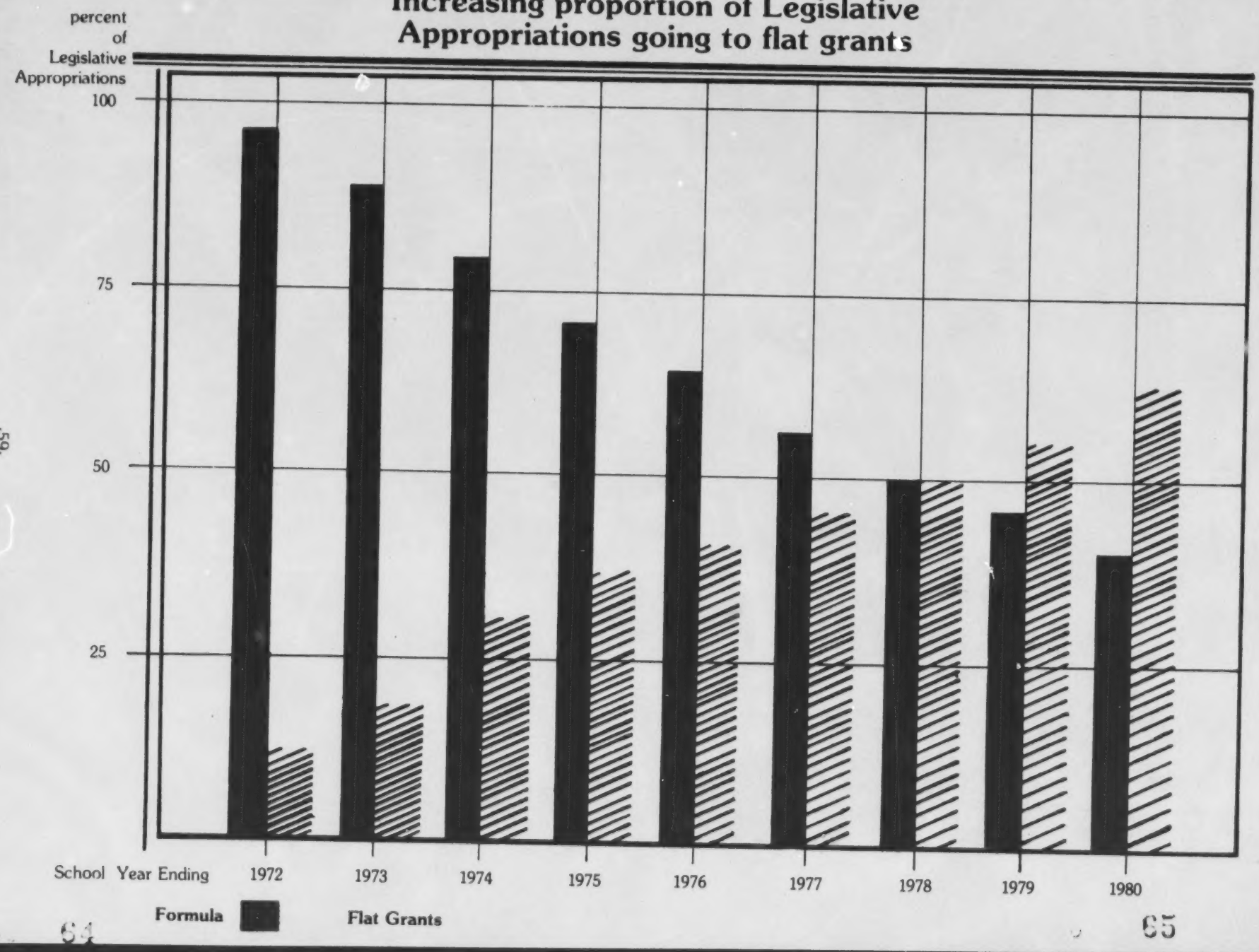
## 1970-71




## 1978-79




1. 12% decrease in local share of revenue from 1970/71 to 1978/79
2. 12% increase state share of revenue from Legislative appropriations from 1970/71 to 1978/79
3. Federal Revenue remained the same


Increasing proportion of Legislative Appropriations going to flat grants
percent of Legislative Appropriations
100
75
50
25
School Year Ending
1972
1973
1974
1975
1976
1977
1978
1979
1980
Formula
Flat Grants

### Constitutional Constraints

By virtually unanimous consent, the United States Constitution is a remarkably flexible document that has been crucial to whatever success we have enjoyed as a democracy. Most state constitutions are somewhat less remarkable.

Although it has virtues, the Oklahoma Constitution was not written with enough flexibility to provide for drastically changing conditions. Rather than providing a general structure within which the legislature could enact statutes to carry out its intentions, it tends to be highly specific. The description is certainly accurate with regard to its provisions relating to public school education.

The State Constitution requires that only 15 of whatever number of mills is levied for public school purposes can be charged against any state program of finance. That means that no formula can take account of the full capacity of the local district to raise money. Of the 35 mills that most of the districts vote for their General Fund, 20 mills cannot be made chargeable against money received from the state. Since it cannot, and since the ratio between the rich and the poor may in some instances be 10 or 15 to one, the wealthier districts can raise much more money without any loss of state revenue than can the poor districts.

A question to be voted on in the fall of 1980 by virtue of legislative action during the 1980 session would authorize an additional 10 mills at the local level. Because of the constitutional restriction, that 10 mills could not have been charged against state revenue. If the question had been approved, that would have meant that for General Fund purposes a school district could have voted 45 mills, but only 15 mills could have been charged against any state revenue the district might receive.

The Constitution also provides for a separate building fund for school districts. At the time it was enacted, the five mills that it provides for would have raised enough money in many districts to be a significant part of the capital outlay program for the district. In the intervening years, however, the amount of money that can be raised with 5 mills on current assessed valuations is insignificant in terms of the total capital outlay needs of school districts. Therefore, through later legal interpretations, most school districts now use the building fund for furniture and equipment and for building maintenance.

Because the building fund is a constitutionally established fund, there is no way that the revenue for it can be taken into account as the legislature allocates money to school districts. Therefore, because of the enormous variations in property wealth among school districts, some districts can raise many times the amount of money that other districts can with this up to 5 mill local levy.

The total millage that can be levied for General Fund purposes at the present time under the constitutional restrictions is 35 mills. As indicated in an earlier section, some of these issues must be voted on in an annual election. Those elections do not offer a real choice to the voters. When millage issues of the type called for in our Constitution fail, in most all districts it would be necessary to either close the schools in the year to come or to keep calling elections until the millage issue finally passed.

The establishment of restrictions of some type is probably appropriate. However, the fact that they are constitutional rather than statutory creates a rigidity that is probably inappropriate. It means that any adjustments that changing conditions dictate can be accomplished only through the cumbersome process of amending the Constitution.

The Constitution also provides that property shall not be assessed at more than 35% of true value. That 35% is a maximum and no minimum is specified. As a consequence, one of the major problems for the courts in Oklahoma in recent years has been to establish guideliness concerning assessment ratios. At the direction of the Oklahoma Supreme Court, the Equalization Board has established 12% as an appropriate ratio with a deviance of 3% on either side to allow some flexibility for varying conditions in different counties. Again, the statutes would probably be a better vehicle to deal with this problem than the Constitution.

## FEDERAL PARTICIPATION IN FINANCE

Significant federal support for education in the United States is essentially a post World War II phenomenon. With one major exception, the so-called "Impact Aid" (Public Law 874), federal aid programs have been responses to congressional perceptions of national problems. For example, one of the major bills supporting public education from the federal level was the National Defense Education Act passed in 1958. It

was a response to the Russian success in launching a satellite while our rockets were falling off the pads in what was then called Cape Canaveral. It was assumed that better technical training in the schools would help us to defeat the Russians in the contest for outer space. The NDEA provided assistance to public schools on a matching basis for equipment in science and mathematics and for foreign language instruction. It also provided assistance for technical educational programs and contained a number of other provisions, all designed to strengthen the schools in the teaching of those subjects which were seen by the Congress to have greatest relevance to the technological contest with the Russians.

The decade of the 60's was one in which there was increased concern for minorities, for the poor, and for otherwise disadvantaged children and young people in schools. There was increased interest also in vocational education and in manpower training. One of the largest of all federal acts to support education was the Elementary and Secondary Education Act passed in 1963. Among the several titles of the act, Title I was directed to providing funds for public school systems to provide supplemental programs to compensate for the cultural disadvantages perceived to derive from being poor. The act presumably encouraged innovation by providing funds for centers of innovative educational activities. Adult basic education also received significant attention in this act.

During the 1970's the number of new programs in support of public schools from the federal level has been limited. Nevertheless, funding has continued for the major programs initiated in the 60's. One new emphasis that has received some federal funding has been the concern for the handicapped. Public Law 94-142 expressed the intent of Congress that those with handicaps, physical and otherwise, are to be given opportunity for appropriate education in "the least restrictive environment". The guidelines and regulations associated with this act have produced serious problems for local school systems as they have sought to provide for those whose handicaps require expensive and unique educational programs.

Virtually all of the federal programs, and only a few of the major ones have been mentioned here, have been accompanied by various types of controls and regulations. A major exception has been Public Law 874. This act, a response to the problems brought on by the establishment of military bases and other federal installations which paid no taxes, provides money for the school district to use as it sees fit. Eligibility is based on an audit of the number of children who come from homes where parents are employed by the federal installation. In Oklahoma, large federal installations such as Tinker Field, Fort Sill, the FAA Center, and others, have yielded substantial amounts of federal Impact Aid for those districts that are in the vicinity of the installations.

Opposition to this kind of federal funding increased in recent years and the amounts of aid provided have consequently decreased. So far, however, so many congressional districts across the country are affected by this law that Congress has not responded to consistent recommendations from the executive department that the aid be eliminated.

A source of controversy in many states, including Oklahoma, is the increased involvement of the federal government in the affairs of local school districts. The Civil Rights Act of 1964 led to the adoption of many rules and regulations which have resulted in required policies at the local level strongly opposed by citizens. Busing for the purposes of integration is perhaps the best example. Other acts such as Title IX that is directed to achieving equality between the sexes in the school for athletics and other instructional activity have led to what some school officials see as impractical requirements. Regulations pertaining to privacy of records, affirmative action in employment practices, bilingual education, rulings requiring hearings for student suspensions, and many others, have agitated many local boards and school administrators.

There are many who would argue strongly in behalf of most of these regulations and who would support their arguments with evidence of arbitrary actions by school boards that were discriminatory, over a long period of time. Still, those who complain that the rules and regulations have often reached the point of diminishing returns so far as the benefits to pupils and education are concerned have strong evidence to support their complaints.

The federal courts, too, have become significantly involved in the affairs of schools. Their actions have derived from their interpretations of the Federal Constitution.

In any case, the federal involvement in public school education is a fact rather than a point of discussion. It seems unlikely that it will decline very much in the foreseeable future. The challenge for a state like Oklahoma is to take cognizance of this federal involvement and to establish policy that will facilitate constructive response by local school districts.

## REFORM ALTERNATIVES

Many states have been considering school finance reform in the last decade. About half have made significant changes. The reforms that have been accomplished tend to be somewhat unique with each state. That is because each state has unique characteristics in its system of public education that makes it necessary to develop a system that fits. Still, some generalizations about reform alternatives can be made.

Four different approaches are discussed briefly in the following sections. Each has its advantages and disadvantages and some of these will be pointed out. Indeed, whether or not a particular characteristic is an advantage or disadvantage may depend on the point of view of the beholder.

### Full State Assumption

Most states, like Oklahoma, have some sort of arrangement involving contributions from local districts and from the state. Almost universally, the tax that is relied upon at the local level is the property tax. It is a tax that is difficult and expensive to administer. Equalization of assessments is a pervasive problem. Maintaining records of the values of properties to keep up with inflation is almost impossible. It is also an unpopular tax and that has made it difficult to gain the approval of taxpayers for levy increases.

In addition to the problems with the property tax, there are the difficulties of providing for the unequal distribution of property tax wealth among school districts. A state-local partnership in financing schools requires the adoption of policies by the state that take account of variations in fiscal capacities among districts. That usually means a fairly complex formula of some sort. Furthermore, adopting and administering policies designed to equalize are often politically difficult.

All of these complications have led some persons in the school finance field to recommend turning over the responsibility for the financing of education to the state. With no locally determined and administered property tax, most of the problems, so say the advocates of this approach, would be eliminated. That does not mean that the state must rely entirely on sales, income, and corporation taxes. Indeed, some states have seriously considered a state-wide property tax. In any case, if the state assumes full responsibility for financing public schools, a plan often called full state funding, the inequities among school districts that arise from their varying capacities to raise money for schools would be eliminated.

Some have advocated exclusive reliance on sales, income, and corporation taxes to the exclusion of property tax. No state has yet accomplished that in its entirety, but several have lowered or severely limited property taxes and moved toward heavier dependence on other taxes for schools. In reality, most states are making this shift in an evolutionary way, because larger percentages of the public school financial support are coming from the state rather than the local district.

One of the advantages seen by those who advocate full state funding is the taxing capacity of states. In recent years, sales and income taxes in particular have proved to be very productive revenue raisers. On the other hand, the property tax, with all the various constraints associated with it, has not been increasing at the same rate. This is particularly true in a state like Oklahoma whose population and economy are growing.

One of the advantages, and perhaps a disadvantage, too, of relying on sales and income taxes is that they directly and immediately reflect the condition of the economy. So long as there is growth and expansion, there is substantial additional revenue. On the other hand, in a recession, the revenue from sales and income taxes immediately show a decline.

A major argument against full state funding proposals centers on the relationship of control and money. It is argued that if local communities have little or no input into the revenue that is used for schools, there will be a tendency for local citizens to participate less in the decisions about their schools. Some contend that there would be serious erosion of the tradition of local control of schools which has been so important to the American society.

Those who support the full state assumption approach argue that states are already exercising a great deal of control and that they should. The mobility of the population being what it is, it is argued that reliance on decisions at the local level may lead to inferior educational quality for children who as adults find themselves living in other communities. It is often pointed out that cities like St. Louis and Chicago have had increased numbers of welfare recipients because of the migration of poorly educated black persons from the south.

Another disadvantage of full state funding that is often cited is that it usually relies heavily on the sales tax, the tax that is most heavily used by states to raise their needed revenues. Although arguments rage among tax experts about the regressivity and progressivity of the various taxes, it is commonly agreed that a sales tax, without some exemptions or some sort of income tax rebate for necessities, is regressive in its impact. Increasing the sales tax undoubtedly impacts more heavily on those with lower incomes than those with higher incomes.

It should be pointed out that the property tax is also a highly regressive tax. It is especially regressive as it applies to older persons with fixed and limited incomes. If the property tax is kept up to date in terms of the inflation oriented increase in property value, it could well be that a retired couple might find that the appreciation on their property, which in itself might be paid for, is so great that they can no longer pay the property taxes levied on it. It should be emphasized that this is not a serious problem in Oklahoma because we have very low property taxes in relation to most other states. This is due to the twin factors that property values are not kept up to date and that rates are low. However, in the highly publicized property tax issues that have been voted on in other states such as California, the burden of the property tax on the elderly and the poor is very substantial.

### Distribution Under Full State Assumption

It is important to note that those who have advocated full state funding often have not given serious consideration to the distribution of the money after it has been raised at the state level. That is a serious error, because even though such plans do equalize the raising of revenue, there are still unique circumstances in each of the districts to which money must be distributed. A distribution plan that does not take into account the educational requirements of the pupils in each district, that does not take into account the various factors that relate to the cost of delivering education in the various districts, and that fails to take account of the various specific factors that contribute to the cost of education in each district is not a complete plan.

### The Foundation Level Approach

The essence of this plan is simply to guarantee that each pupil in the state shall receive a defined minimum educational program. For those districts who do not have the capacity to raise enough money to provide that defined program, the state supplements revenues so that at least the minimum program can be provided.

Depending on the state, varying degrees of local leeway are given to the districts to go above and beyond the program that is guaranteed by the state. This means that if in District A the taxpayers are willing to tax themselves to provide a 20% better program than the minimum guaranteed by the state, they are free to do so. In District B, perhaps the citizens are satisfied with the minimum program and do not wish to go beyond that. In District C it may be that citizens want very much to go beyond the minimum program, but it may well be that their property tax capacity is not enough to make it realistic to exceed the guaranteed foundation program.

This plan, elements of which have been in use in Oklahoma for several decades, theoretically has several virtues. It continues the tradition of allowing local school districts to make input into the financing of their schools. It guarantees that every pupil in the state will receive at least a minimum level educational program. It makes it possible for the local districts to go beyond that minimum program and provide as high a quality program as its inclinations and its wealth permit.

Its disadvantages are that the state often defines the minimum program at a level that many would consider far too low. For example, although it has become an increasingly less significant part of most districts' revenue, the minimum defined Oklahoma foundation program is currently $372 per elementary pupil at a time when the average expenditure per pupil in Oklahoma is about $1500 per pupil.

Another disadvantage of the foundation plan approach is that it allows inequities among the school districts to continue. If the district is wealthy, it has the capacity to go far beyond the guaranteed minimum from the state. If the district is poor it may find that the state guaranteed minimum becomes its maximum. This is especially true in a state like Oklahoma where maximum tax rates are established by the Constitution.

The foundation program approach can work well. Unfortunately, in many states this approach has been so compromised and diluted by the political decisions that have been made that it no longer does what it was designed to do.

### Power Equalizing

Power equalizing, sometimes called guaranteed tax yield, is an idea that has come into prominent discussion during the last few years. To some it may seem a bit complicated, but it merely involves distribution of state money in such a way that each district has the same capacity to raise money as every other district — hence the name power equalizing.

If the citizens of a given district decide on a given tax levy, and if that levy yields less than the state has agreed to guarantee, the state simply subsidizes so that it will receive enough money to bring it up to the guarantee. If another district decides it wants to establish the same tax rate, but it is wealthier, it will receive a lesser subsidy so that the total of local and state money is the same as that for the poor district. Very wealthy districts may receive no subsidy.

The advantage of the power equalizing plan is that it enables citizens at the local level to decide upon the tax they want to impose upon themselves for schools. Whatever tax levy decision is made at the local level, it will raise as much money as would be the case in any other district.

There are some disadvantages. One is in a district where the taxpayers are relatively poor, or perhaps they are simply recalcitrant because of not having a client interest in the schools. For example, communities with high percentages of older citizens may decide on a very low tax rate. In that case the pupils of that particular district would suffer and the state would have no means for correcting the situation. The mobility of the population, previously referred to, may mean that the inferior education received by pupils in that district would be disseminated to other districts and even to other states. Furthermore, for those who feel a commitment to the pupils themselves, those in the districts who choose low tax rates would definitely be put at an educational disadvantage.

### A Combination Approach

The last plan we will describe is that involving a combination of two of the previously described approaches. It combines the foundation aid and power equalizing ideas.

In the combination plan, the state guarantees a minimum educational program as described in the foundation program plan. In addition to that, each district is given the option to raise additional monies beyond those provided in the foundation program. The amount of local leeway is usually limited so that inequities among districts will be kept to a minimum.

The power equalizing provisions of this plan come into play in connection with the local leeway. The additional revenues that are raised through the local levies are power equalized so that each additional mill above the foundation program yields the same amount per pupil as in every other district.

There are several advantages to this plan. It guarantees that each pupil will receive a minimum educational program. It leaves some initiative at the local level to go beyond the foundation program, but it also power equalizes and limits the amount that a given district can exceed the foundation program so as to minimize the inequities and to eliminate the advantages and or disadvantages of pockets of unusual wealth or poverty in particular districts.

This approach is attractive, but not without problems. Unless the local leeway is kept minimal, inequities among districts may develop. It also relies partially on the property tax, the difficulties of which have been described previously.

## Weighting

Weighting is a term that is so much a part of contemporary school finance reform that we have chosen to discuss it in greater detail than some of the other terms we have defined.

It is a means through which it is possible to recognize that different pupils require different expenditures in order to receive equal educational opportunity. Some of the more obvious examples of such pupils are those with learning disabilities, the mentally retarded, the physically handicapped, and those in vocational programs. Such pupils need extra staff resources, materials, equipment, and facilities. The distribution of such pupils among school districts is not even. Therefore, if a given district has a higher concentration of expensive to educate children than is average, then they need additional money for those children so that they can provide the educational opportunities necessary for them to be able to function in a complicated society.

There are other factors that affect the cost per pupil of education. One is population sparsity. When classes must be small, when transportation involves many miles and few children, and when other factors that relate to the sparsity of the population are part of the picture for a particular district, then that district needs additional money in order to provide equal educational opportunity for its pupils. Some would argue, and there is some evidence to support their arguments, that premium salaries must be paid to teachers in order to attract them to certain parts of the state. In a district with declining enrollment, not unusual in Oklahoma, expenses per pupil are above average. Staffs must be cut. It is often the younger, more mobile, and less expensive teachers who leave school systems under such circumstances. Therefore, districts with declining enrollments often have a concentration that is far above average of teachers whose salaries are high.

These and other factors can be subsumed under the heading of cost of delivery and those factors ought to be taken into account in the allocation of funds. Failure to do so will result in inequities that are unfair to the pupils involved.

One way to deal with these problems is through the weighting of pupils. One approach is cumulative weighting. Decimals are assigned to the various factors that affect costs. For example, there might be a weighting of .3 for primary grades on the assumption that more money ought to be put into those grades. There might be a weighting of .4 for a learning disability. A weighting of .25 might be assigned for an economically disadvantaged child. Cumulative weighting means that if there were a second grade pupil with a learning disability and who was economically disadvantaged, he/she would be weighted at 1.95 (adds the .3, the .4, and the .25 to the 1 that is assigned to each weighted pupil and this would determine the allocation of money to the district. Another approach is to do weighting in the same way, but to do it on a full time equivalency basis. In other words, for every full time equivalent learning disability student, there would be a weight assigned at 1.4. If a learning disabled pupil spent only one-third of his time is a special class, it would take three such pupils to equal one full time equivalency.

Another approach to weighting is to weight by instructional units and assign a base amount of money to each standard unit. In this plan the number of pupils in a special class is determined. For example, perhaps there would be eighteen pupils in a learning disabled class while there would be twenty-five in a regular class. Each learning disabled class would be allocated money as though it were a regular class. Thus, there is extra weighting in terms of the number of pupils who fit the various special categories.

# FINANCE RELATED ISSUES

The various factors that affect education tend to be interrelated. Therefore, it is not possible to speak about finance issues without also talking about some basic issues relating to other aspects of education. In the subsections that follow, we have tried to identify the issues that seem most pertinent to the development of recommendations in the field of school finance.

## ISSUES RELATED TO CONTROL

When educators from other countries visit the United States to examine our school system, they are often amazed at the apparently chaotic and haphazard way it is organized. That is because of our tradition of local school districts and local control. As indicated previously, in Oklahoma there are 620 school districts with differing characteristics. The unique qualities of each of these administrative units have been illustrated in earlier sections of the notebook.

The basic question to be addressed is the degree to which each of these 620 school districts should be entrusted to make its own decisions about public education. Because of our traditional views about public schools, most of us tend to extoll the virtues of local control. On the other hand, whether it be the state Legislature with its appropriation of more than a half billion dollars for public schools or the Congress in its appropriations for schools, the higher government levels have indicated by their actions that they are unwilling to give complete control over the expenditure of those funds to the respective local districts.

One might illustrate the dilemma by use of a continuum. On one end would be complete local autonomy while at the other end would be a state system of education such as currently exists in Hawaii. At the local control end of the continuum, the only role the state might play would be to provide money. There would be no control over textbooks, over curriculum, over the salaries of teachers, or any other matter. There would be no accreditation by the state and no minimum standards established. Each district would be left entirely to its own devices to do as it saw fit.

In a state system, all decisions would be made by the state. Administrators would be appointed by the state and they would be responsible for appointing teachers. There would be no school boards. Curriculum would be standardized as would salaries, textbooks, facilities and all other matters relating to the schools.

It is unlikely that many would agree that either of these extremes is what we really mean when we talk about local versus state control. As we know, the legal responsibility for schools lies with the state. As states have become more heavily involved in the financing of schools, and as various special interest groups have focused their attention at the state rather than the local level, there has been a tendency for increasing degrees of state control to evolve. That certainly is true in Oklahoma and one study indicated that Oklahoma was within the top five states with respect to the number of decisions that are controlled by the state.

Basically, rather than the passionate statements we often hear about the virtues of local autonomy and the evils associated with control at higher governmental levels, what is needed is a dispassionate consideration of those decisions that are best made at the local level and those that are best made at the state and even the federal level. With that goal in mind for the Commission, the following paragraphs illustrate some of the state-local control mix that we now have.

### Curriculum

Local school districts still have substantial flexibility in determining what the curriculum of the local schools shall be. On the other hand, both the state and federal governments exercise a measure of control.

The state sometimes exercises control by mandating curriculum details. For example, a few years ago the legislature in its zeal to promote physical fitness specified the number of minutes per week that must be devoted to physical education activities. At various times in the history of Oklahoma, the legislature has indicated by statute that certain subjects must be included in the curriculum.

Through the rules and regulations of the State Department of Education, the state sets certain minimum requirements. For example, a certain number of specifically defined units must be completed for a person to

be graduated from high school. In recent years, some states have adopted policies on standards that require minimum performance on standardized examinations before graduation from high school.

### *RELATED COMMISSION ACTION*

***The Commission devoted a substantial amount of time to the issue of the state's role in curriculum matters. It concluded that the mandates that have evolved over a period of years from the legislature concerning particular subjects that must be taught are inconsistent and in some instances contradictory. It recommended that the legislature repeal all curriculum mandates. Details of this recommendation are included in the recommendation section.***

***The Commission adopted a statement on basic education and made other suggestions about the role of the state in curriculum matters. It also adopted a structure for evaluating requests for curriculum mandates. All of these are included in the recommendation section.***

## Finance

A local school system still has substantial flexibility in its fiscal affairs. Some political scientists have been indicating for a long time that the fiscal independence of school boards is so great as to be indefensible.

Counter to the above has been the recent inclination of the Oklahoma Legislature to mandate salary increases and establish minimum salary schedules for teachers and other personnel. Since the percentage of any budget devoted to personnel salaries is very large, and since the percentage of state support for the total budget is increasing and the local percentage is decreasing, these mandates have reduced substantially the flexibility of the local school board to make its own decisions about the allocation of its resources.

There are federal regulations, too, that reduce local fiscal autonomy. Requirements related to sex discrimination, providing education for the handicapped, making certain that the schools are integrated, and others often require the expenditure of local monies and further reduce the local board's options.

There are certain other constraints that are imposed by the state. Some of these have to do with the establishment of auditing standards, requiring the taking of low bids, and other regulations designed to make sure the public funds are responsibly spent.

## Personnel

Local school boards have the complete authority to determine whom they will employ for the various positions ranging from superintendent through teachers and all other personnel. Again, however, the state has always exercised some control in personnel matters, and some of these seem to be increasing.

The state establishes and maintains standards for the education and the licensing of teachers. A school district cannot legally pay the salary of a teacher who is not certified by the state. Through the State Department of Education and its rules and regulations regarding teacher certification, standards for the education of teachers in Oklahoma have been established.

The Legislature has indicated even greater concern about minimum competence standards for teachers through legislation enacted during the 1980 legislative session. The new statute mandates additional standards including successful performance on standardized examinations as well as certain specific evaluation procedures during the first year of a teacher's career.

In addition to the requirements having to do with the licensing of teachers, Oklahoma has a fair dismissal law that reduces the options of a local board in the matter of terminating personnel. There are also laws relating to tenure that are designed to protect teachers from arbitrary action on the part of school boards.

In addition to the above controls and others established by the state, federal laws relating to affirmative action policies, laws relating to discrimination, and others reduce the options available to local school boards. Some of these arise from interpretations of the federal constitution by the courts and others from regulations established as a result of congressionally enacted laws.

### Materials and Methods

Local districts have substantial autonomy regarding the teaching methods used and the materials they select for use in the schools. On the other hand, again, the state does exercise some control.

In Oklahoma, we have a free textbook law. Each year the legislature appropriates money that is for the purpose of providing textbooks to pupils throughout the state. There is control in that the State Textbook Committee "adopts" certain books from which local districts must select. It is a multiple adoption system, so school districts still have the option to select which of the several books on the approved list they wish to use.

If the local district wishes to supplement with other materials that are not on the state approved textbook list, they are free to do so, but they must use other monies in their budget. Workbooks, films, library materials and other instructional aids are left to the option of the local school district.

### Structure

Local school districts are free to structure the educational experiences in whatever ways seem most appropriate to them. For example, they may decide the beginning and ending dates of the school year. They may decide the starting time and the ending time of the school day.

On the other hand, the state establishes standards that must be met with respect to the length of the school term and the length of the school day. Through the State Department of Education and its rules and regulations, units of study are defined in terms of time requirements. There are also regulations established through the legislature concerning the size of classes and there are regulations concerning eligibility for approved special education classes. Other examples could be cited demonstrating that how a school is structured and organized is partially a local and partially a state matter.

### Tax Levels

One of the basic traditions of American schools is the concept of local contributions to their financing. That has been covered in some detail in an earlier section of the notebook, but it should be noted here that freedom to choose the level of support for schools is technically an option left to the local school district. As you know by now, as a practical matter in most school districts, the options available are limited. The upper limits of the tax rates are established by the Constitution. Those upper limits are such that most school districts must exercise the option of taxing themselves at the maximum allowed by law.

Tax assessments, too, are left to the discretion of local County Assessors. As previously discussed, there are certain parameters that have been established by action of the courts with respect to what those ratios shall be. There is also an upper limit of 35% that was established by the Constitution. Still, the determination of the amount of property tax that will be paid by each property owner is very much influenced by decisions that are made at the local and/or county level.

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The above examples of state and federal controls are not all inclusive. They are meant to demonstrate the fact that there is local control of schools, but it is somewhat limited. Most would probably agree that many of these controls are appropriate. They are designed in many instances to ensure that the state carries out its fundamental responsibility for public education.

On the other hand, the diversity of the clientele to be served calls for differing approaches in some local communities as opposed to others. The trade-off between the establishment of legitimate minimum standards while at the same time protecting the concept of local control is an issue the Commission explored in some depth.

### *RELATED COMMISSION ACTION*

***Early in its deliberations, Commissioners agreed that they were committed to the basic concept of the public schools' control remaining at the local level. There was concern, however, that the quality of education available to all pupils in Oklahoma should not fall below certain minimum standards***

***established by the state. Consequently, the Commission recommended that the legislature upgrade accreditation standards and that a state-wide testing program be initiated.***

***There was also concern in the Commission about the actual implementation of local control. It was the Commissioners' view that in many instances communities had not become involved to the degree that they should in the decisions about their schools and that in many instances school boards have not been as responsive as they should be to their respective local communities. To deal with this problem, the Commission made a number of recommendations relating to the election of school boards which are described in detail in the recommendation section.***

## Issues Related to Equity

When terms like equity and equalization are used, they are usually directed to equity among taxpayers and equalization of educational opportunity. Each of those will be discussed in the subsections that follow.

### Taxpayer Equity

The unique approach used in each county of Oklahoma in the establishment of property tax levels means that the burdens of taxation are not fairly distributed among the taxpayers of the state. One factor that contributes to this inequity is the variation in assessment ratios. Although according to tax commission studies, the variances have been reduced in recent years, there are still substantial differences in the assessment ratios among counties. If you happen to live in a county that has a high assessment ratio, your house or business with a market value equal to that of property in a county with a low assessment ratio will be taxed at a higher amount even though the tax rates in the two counties might be identical.

Although the ratios do create some inequities, it is likely that the greatest inequities arise from the valuations of the property on which the ratio is based. It is extremely difficult to establish the fair market value of the thousands of pieces of property in every county. Because those values are constantly changing due to inflation and other factors, it is also very difficult to keep the values current. Since County Assessors are elected officials, they vary in the degree to which they feel committed to this formidable task. These and other factors have resulted in a situation in which a high percentage of the property in Oklahoma is undervalued for tax purposes. If every piece of property were uniformly under-valued, then inequity would be at a minimum. However, that is not the case. As a rule, newer property is on the tax rolls at a higher level than older property.

The other factor that directly affects the taxpayer in terms of his property tax burden is the tax rate. Because of the fact that most school districts in Oklahoma vote the maximum rate for General Fund purposes, the inequities in this area are minimal. However, school districts are totally responsible for raising revenue for capital outlay. That means school districts must borrow through bond issues which must be paid off by the tax payers. Since the ability to raise money in a school district is a function of the amount of valuable property in that district, the sinking fund levy varies greatly from one school district to another. In some districts that rate may be more than 30 mills while in other districts it may be zero. That means that the tax burden differs greatly, even within counties. If one happens to live in a district that is made up primarily of residential property and that is rapidly growing, the property tax bill is likely to be much higher than it is in most other districts.

A factor related to taxpayer equity that has not been discussed very much in Oklahoma is its relationship to income level. In counties where the people's income is low, the burden of the property tax, even if it is the same as in a high income level county, is greater in a relative sense. In other words, if the property tax for school purposes were 50 mills in two counties, but in one of the two counties the average income were 25% greater than in the other county, it is obvious that the people in the poorer county would be making a greater effort percentagewise than those in the wealthier county. For these and other reasons, some states have now incorporated an income factor in their school finance formula. It may be that in Oklahoma we will want to deal with more obvious inequities first, but it seems likely that at some time in the not too distant future the factors involved in the total tax structure ought to be examined in order to address fully the issue of taxpayer equity.

## *RELATED COMMISSION ACTION*

***The Commission had several discussions on the issue of taxpayer equity and particularly on the administration of the property tax laws in Oklahoma. It received input from a number of sources on these issues.***

***The Commission adopted a recommendation to the legislature that would establish clear criteria for the evaluation of property in various counties. The recommendations included a proposal for enforcement through financial penalty to counties for noncompliance. The details of this recommendation are in the recommendation section.***

### Local Revenue Inequities

Most school districts in Oklahoma levy 35 mills in property taxes for General Fund purposes. How much money this yields depends on the assessed valuation per pupil in each district. That varies tremendously among the 620 districts in the state with the extreme range being almost 200 to 1 and 10 to 1 ranges being quite common.

The reasons for the ranges in revenue cited above include:

1. **Concentrations of valuable property.** Industries of various types locate in particular districts and that inflates the per capita assessed valuation. Public service property is an even greater factor because it is not only valuable, but is assessed by the state at a current rate of 27% as opposed to 12% (approximately) for property assessed by the various counties.
2. **Concentrations of low value property.** In contrast to the above, some districts have almost exclusively residential property which yields far less in property tax revenue than industrial property. Suburban districts are examples.
3. **Property valuations.** This issue was discussed in the section on taxpayer equity. It also contributes to the fact that revenues among districts vary significantly.

### State Revenue Inequities

The state program of financing schools should recognize the local revenue inequities and provide more for the poor districts and less for the rich. It should also take account of unusual costs due to varying concentrations of special education pupils, economically deprived pupils, and others. In addition, it should recognize higher costs due to sparsity of population and other factors contributing to variations in the costs of delivering education to the pupils.

The existing state program does not take these factors into account to an effective degree. The reasons are as follows:

**Foundation Aid.** Only 15 of the 35 mills going into the General Fund of school districts is chargeable against the amount that can be received from the state. That is because of the constitutional limitation. If a constitutional amendment to be voted on by the people in November 1980 had passed, there would have been an additional 10 mills that could not be charged against the state program. As of now, 20 of the 35 mills are not chargeable and therefore are not equalized. With an additional 10 mills it would be 30 of 45 mills that could not be charged. In other words, two-thirds of the General Fund revenue could not be taken into account in the equalization program.

Another problem with Foundation Aid is that the legislature has put very little money into the program in recent years. Therefore, according to the State Department of Education, 228 of the 620 school districts in the state did not qualify for any of the equalization portion of the Foundation Aid formula in the 1979-80 school year. For those 228 districts, none of the 35 mills of the General fund is really chargeable and neither were the dedicated revenues from gross production tax, auto license tax, school land, etc.

Technically, the flat grants for special education, vocational education, and transportation are included as a part of Foundation Aid. These are not equalized in any way. The richest district in the state receives the same amount for each special education class as the poorest. Since such classes require some local money in all cases, these flat grants are seriously disequalizing.

**Incentive Aid.** When this formula was enacted, compromises were made. The one that has crippled it from the beginning is the establishment of factors that control the minimum and maximum amount of Incentive Aid that can be received by a district. The minimum, in particular, contributes to disequalization because it guarantees that every district, regardless of how wealthy it might be, gets a minimum amount of Incentive Aid.

There is also a maximum and no matter how poor a district might be, the maximum prevents it from getting more than about twice as much incentive aid as the richest district. In effect Incentive Aid as it is now applied in the Oklahoma formula is a variable flat grant that is only moderately equalizing.

**Teacher salary increases.** The most disequalizing of all of the legislative actions is the practice of appropriating money for mandated increases in the salaries of teachers and support personnel. In the most recent appropriation bill, 53% of all of the money appropriated for public school education went into flat grants for teachers and support personnel. That included money for previous years' increases and for the current year's increases.

What this really means is that 53% of the money appropriated by the legislature took no account whatsoever of the capacities of local school districts to raise money. The richest district will receive the same number of dollars per teacher and support person as the poorest district.

**Dedicated revenues.** As indicated previously, 228 districts did not qualify last year for the equalization portion of Foundation Aid. Therefore, any money they receive by way of increases in dedicated revenues is simply an increase in what is really a state tax but that appears to be a county revenue.

In the case of **gross production tax revenue,** for districts that are located in counties where it is a significant source of revenue and where the districts do not qualify for the equalization portion of Foundation Aid, this has become an increasing source of additional revenues and contributes to inequity among counties and districts. It might be added that the revenues from this tax are increasing rapidly. The range is from zero in several counties to $592 per capita in one county.

**Auto license revenue,** too, has become a factor in disequalization. That, again, is because of the large number of districts that no longer receive the equalization portion of Foundation Aid. Although there certainly isn't as much variation from one county to another as is the case in gross production tax, in one county the revenue per capita from auto license tags was $50 per capita whereas in another it was $313 per capita.

**School land and other dedicated revenue sources** have also become a factor in disequalization for the same reasons cited above. School land revenue is distributed on a proportional basis throughout the state, so for the more than one-third of the districts in the state for whom equalization aid is not a factor, it is like a flat grant. Unfortunately, the revenues from school land are relatively small. It is conceivable that with a different approach to the administration of these funds, those revenues could be increased significantly.

**Separate building fund.** The Constitution calls for a separate building fund. In terms of the amount of money it produces, it is an unrealistic source of revenue to build buildings and buy property. Therefore, most school districts elect to use most of this money for furniture, equipment, and maintenance. It is not chargeable in any way against the state program of finance, so it adds to the variation in the capacity of local districts to raise money.

# 1981 SCHOOL FINANCE LEGISLATION

As indicated earlier, the 1981 school finance legislation was not a direct product of the Commission. However, the activity associated with the Commission and the resources that were provided through the Commission did contribute to enhancing the legislature's capacity to give rational consideration to policy alternatives designed to equalize the state's financial assistance to school districts in Oklahoma.

The 1981 legislation dealt with a number of the issues enumerated in the preceding pages under the heading "State Revenue Inequities."

Since detailed description of the new legislation would consume many pages of this report, those who are interested in understanding the new program in depth should seek one of the other available sources of information. What follows is a general description of the legislation followed by descriptions of how the legislation addressed some of the issues identified by the Commission materials.

## GENERAL DESCRIPTION

The legislation uses "weighted pupil units" as the basis for allocating money to districts. The number of weighted units is determined by factors relating to **pupil program costs** that are derived from the makeup of a district's pupil population and the **costs of delivery** of those programs in terms of characteristics of the respective districts.

Pupil program costs include those for the various special education programs, for the gifted and talented, and for those who are economically disadvantaged. There are also grade level weights which provide additional money for the primary grades and for pupils at the secondary school level.

District delivery costs include a small school factor, a factor to reimburse school districts with higher than average numbers of expensive teachers, and a transportation factor (which is not new) which recognizes the greater costs of transportation in sparsely populated districts.

## THE FORMULAS

The basic equalization formulas that were a part of the statutes prior to the new legislation were used to take account of the variations in property wealth among districts. The foundation aid formula used average daily attendance as a base and the weights for grade levels, special education pupils, and the small school factor were applied.

The incentive aid formula used average daily membership as a base. A major change in the formula itself was the elimination of the previously existing minimum and maximum. The weights used in incentive aid were the grade levels, the small school factor, the economically disadvantaged weight, and the teacher factor.

About 80 percent of the money appropriated by the legislature in 1981 was distributed through the formulas. Also incorporated in the legislation was a "hold harmless" provision to ensure that school districts received no less in state aid than they had the preceding year. The financing of that hold harmless required the imposition of a temporary maximum increase for the poorer districts. No district was allowed to have an increase through the formulas of more than eight percent of an arbitrary figure from the previous year that included local revenues as well as state dedicated and appropriated revenues.

The legislature did not depart entirely from its flat grant appropriations. The salary increases for teachers and support personnel for the 1981-82 school year were appropriated as a flat grant. There were also several other line items included in the legislation for various programs in which the legislature had an interest.

## ISSUES ADDRESSED BY THE NEW LAW

### Foundation Aid

The proposed constitutional amendment mentioned under foundation aid on page 70 was not approved by the voters. The issue involving the constitutional constraint on the amount of millage that can be

chargeable in foundation aid could not be resolved by the new legislation because it is a part of the Constitution. However, the use of incentive aid to equalize the other 20 mills of the 35 mill General Fund deals rather well with that problem.

The amount of money being distributed through foundation aid was greatly increased by the 1981 legislation. Only a relatively small number of school districts, most of them wealthy and small, fail to qualify for money under the foundation aid formula with the greatly increased amount of money that was funneled through it.

### Special Education and Vocational Education

The special education flat grants were eliminated and incorporated in the pupil weighting system. The appropriation for vocational education was completely separated from the public school appropriation bill and was incorporated in a separate bill for the Vocational Education Department.

### Incentive Aid

As indicated earlier, the minimum and the maximum in incentive aid were eliminated. This makes it possible for the incentive aid portion of the formula to operate as a truly equalizing percentage matching grant. Also, the amount of money being distributed through incentive aid was greatly increased. Reducing the local support factor resulted in only a few districts in the state not qualifying for some money under incentive aid. The range of money received is from zero dollars per weighted pupil unit to more than $500 per unit.

### Teacher Salary Increases

Although the flat grants for personnel salary increases were not completely eliminated, the money that had accumulated for previous salary increases was taken out of that account and funneled through the formulas. Consequently, the money going into flat grants was decreased from the more than 50 percent of the previous year to a little more than 12 percent in the new legislation.

### Dedicated Revenues

The legislation as it was originally introduced included a plan involving central collection of the dedicated state revenues and redistribution of those revenues among all school districts through the equalization formulas. That proposal turned out to be one of the most controversial issues that has been considered by the legislature in recent times. The lobbying against it was extremely vigorous. In the face of this opposition, the legislature abandoned that portion of the originally proposed program.

The distribution of the ad valorem tax on public service property across the state through the equalization formulas was also a part of the originally introduced legislation. It, too, was controversial and was ultimately abandoned.

Whether or not these two issues will be re-addressed by the legislature in the future cannot be predicted. Under present circumstances, the continuation of these arrangements detracts from school finance equalization. That is because of large fluctuations in the revenues from these taxes, particularly those related to oil and gas production, from one year to the next and from one county to another. Even though they are revenues chargeable against foundation aid, the two year delay in using the revenue amounts to determine qualification for foundation aid does not allow the equalization concept to operate. If and when these various tax revenues become relatively stable, and after a sufficient number of years have passed to bring most school districts off of the hold harmless provision, equalization would not be seriously affected by allowing these taxes to be retained in the counties. At that point, the major advantage of centralizing the collection and redistribution of the money through the formulas would be simplified administration.

### *RELATED COMMISSION ACTION*

***The Commission made two recommendations relating to school finance. One was that the legislature continue to use a weighted pupil distribution plan and the other recommended against the allocation of money on a flat grant basis among school districts. The details of those recommendations can be found in the recommendation section.***

### Capital Outlay Inequities

Capital outlay for schools in Oklahoma is purely a function of the local capacity to raise money through bond issues. Since there is such a wide range in that capacity among school districts, some school facilities are really plush whereas others are so bad they are unsafe. The state does nothing to rectify this problem.

#### *RELATED COMMISSION ACTION*

***On the basis of discussion among Commissioners and the input they received from the staff and other persons, the Commission made several recommendations concerning capital outlay for public school building facilities. Besides a basic commitment to the state's becoming involved in a state financial assistance program for capital outlay in districts that make maximum effort but lack the financial capacity to provide for themselves, the Commission encouraged satisfactory completion of the study that is now underway to determine the status of public school building facilities in Oklahoma. The Commission also indicated its support for seeking new revenue sources for public school capital outlay funds. Details of these recommendations are included in the recommendation section.***

## ISSUES RELATED TO ORGANIZATIONAL STRUCTURE

### The Number of School Districts

As pointed out in the brief section on the history of education in Oklahoma, we once had more than 5,000 school districts. We now have 620. Their boundaries are not coterminous with counties, with municipalities, or with any other governmental unit. Indeed, there have been instances where school district boundaries not only bisect neighborhoods, but even individual residences.

It is obvious that our present school district structure is more random and haphazard than systematic. It is also obvious that almost any change in school boundaries becomes an emotional issue among those who are affected. Loyalty to the local school is usually fierce and any suggestion that it ought to be changed is usually vigorously resisted.

Regardless of the emotionalism associated with any consideration of reorganizing the school districts in Oklahoma, it is an issue that cannot be ignored by any responsible group considering not only the financing of schools, but the provision of equal and adequate educational opportunities.

It is probably possible to maintain the present school district structure and provide reasonably equal educational opportunity. However, it must be recognized that to achieve this situation would be expensive. Extremely small classes are costly and there is no way to avoid such extremes in the very small school districts. Administrative costs, too, go up as school districts become smaller.

It should also be pointed out that the problem of how school districts are structured is not exclusively a rural problem. Some of the urban areas also have some school district situations which would lend themselves to alteration to achieve greater efficiency. It is also true that sparsity of population in some parts of Oklahoma means that the state will probably always have some school districts with small pupil populations.

#### *RELATED COMMISSION ACTION*

***Recommendations will be found in the recommendation section concerning improved accreditation standards for school districts and a recommendation regarding the reorganization of school districts. The Commission's concern was not with school reorganization per se, but with making certain that every pupil in Oklahoma receives a reasonably adequate opportunity for the kinds of educational programs that will be needed by persons who will live most of their adult lives in the 21st century. If the financial support can be provided to do that within the present school district structure, so be it. If it cannot, the***

***Commission recommends that the legislature assume its responsibility for reorganizing school districts so that it can be done. Details of those recommendations can be found in the recommendation section.***

### Intermediate Units

The counties are often considered intermediate units in the organizational structure of schools in Oklahoma. There is an office of County Superintendent in most counties. In any comprehensive plan for public school education in Oklahoma, the role of the various counties should be considered. At present, that role is minimal. Other than to provide services in the form of film libraries, dealing with routine administrative matters such as pupil transfers from one school district to another within the county, and the cursory supervision of dependent school districts in counties where they exist, the present role of the County Superintendent is quite limited. It probably ought to be expanded or eliminated.

Another intermediate unit that is a part of the organizational structure of education in Oklahoma is the regional service center. There are 21 in the state and every school district is encompassed in one of the regional centers. During their existence so far, their primary role has been to assist districts in the testing of children for the various special education programs and providing services that are related to special education. Their role could be expanded to provide additional services and, again, how they fit into the total organizational structure of Oklahoma education is an issue that the legislature ought to explore.

Oklahoma also has a system of area vocational-technical schools and they, too, would be considered intermediate units. The districts are created by a vote among school districts that wish to establish the school and who collectively meet certain minimum criteria.

An ad valorem tax of up to 5 mills is levied for operational purposes and these districts are also authorized to raise money for capital outlay through bond issues. Most of these schools have excellent facilities and exemplary programs.

### *RELATED COMMISSION ACTION*

***The Commission discussed the area vocational-technical school system in Oklahoma. Observations concerning that system are contained in the recommendation section.***

# OTHER EDUCATIONAL ISSUES

What follows is a list of issues of a more general nature that was submitted to the Commission. Some of these were perceived by Commission members as being more significant than others. Some that are not on the list arose and were dealt with by the Commission. These were listed to give some guidance to the Commission as it sought to identify pertinent educational issues in Oklahoma.

1. What is basic education?
2. Should the responsibilities of the public schools in preparing persons for life continue to be broadly defined and include everything from driver education to how to balance a checkbook, or should they be more narrowly defined to include only basic academic training?
3. To what extent should public schools provide training in specific vocations?
4. What should the role of the public schools be in early childhood education?
5. Should adult and continuing education be provided through the public school system rather than other educational agencies?
6. To what extent can technology be used to improve the quality and efficiency of education?
7. To what degree should pupils be allowed to progress academically at whatever rate is feasible for them as individuals?
8. Should schools operate for the entire year rather than nine months?
9. Should there be minimum competence standards for graduation from high school?
10. To what extent should public schools move toward serving the entire community rather than only the children and young people?
11. What is the role of futurism in planning for public education?
12. What is the appropriate role of teacher organizations in public education?
13. Should the public schools be held accountable through a formalized system that quantifies what public dollars buy?
14. What are the roles of parents, family, and other social institutions in the educational process?
15. What is the role of the public schools in the teaching of morals?
16. To what extent should "mainstreaming" be extended beyond current levels?
17. Should education for the handicapped in the public schools be extended to take full account of every conceivable handicap?
18. What is the role of collective bargaining in public education?
19. Should public school administrators be primarily managers or primarily educators?
20. What should be the nature of preparation programs for teachers, administrators, and other educational personnel?
21. What should be done to ensure that pupils who are academically or otherwise gifted will have opportunities for educational experiences that fully enhance development of their talents?
22. What policies should be adopted that would ensure that discrimination on the basis of sex, race, or other characteristics will be eliminated?
23. Should the educational system plan to provide bilingual education for those whose heritage involves a language other than English?
24. What should be the role of the State Department of Education in Oklahoma?

25. What should be the roles of the Legislature and executive branches of state government in Oklahoma education?

26. To what extent should there be greater public involvement in decisions about public schools and how, if it is desirable, can it be accomplished?

## *RELATED COMMISSION ACTION*

***Several Commissioners and the Commission staff came to recognize that it would have been ideal to have another twelve months to consider issues that there simply was not time to consider. We found that making responsible recommendations required considerable study and extensive discussion. Since we did not have the additional twelve months, there are some issues about which we would have liked to make recommendations that we simply couldn't.***

***Nevertheless, even with the time constraint, those of us who worked on and with the Commission are pleased with what we were able to accomplish. In the Commission recommendations will be found our definition of basic education. In addition, there are recommendations relating to vocational education, early childhood education, adult education, minimum competence standards, education of the handicapped, and several recommendations of the roles of the different governmental levels and the governance of education in general.***

# GLOSSARY

**ADA**

This term is used to refer to average daily attendance. It is the average number of pupils who **attend** school over a period of time, usually a school year. A substantial part of the state money in Oklahoma for education is distributed among school districts on the basis of ADA.

**ADM**

This term is used to refer to average daily membership. It is the average number of pupils **in membership** over a period of time, usually an academic year. This unit is used as a basis for distributing money in many states other than Oklahoma.

**ASSESSMENT RATIO**

The percentage of the "use value" of property on which county assessors base their determination of property tax liability. The Oklahoma Constitution places a maximum of 35 percent on what the ratio can be. The Oklahoma Supreme Court approved a plan by the Equalization Board that the ratio is to be 12 percent with a 3 percent tolerance up or down.

**CATEGORICAL AID**

This refers to state or federal money that is designated for specific programs. Examples of state money in Oklahoma that fit this definition are aid for special education and vocational education. Most federal aid other than impact aid is categorical. That means that it must be used for a particular category of services that is defined in the federal statutes.

**DEDICATED REVENUE**

This is revenue which is not appropriated in the annual session of the legislature. It is derived from taxes that are earmarked for particular functions of government. The Oklahoma Legislature has earmarked money for public schools from the sale of auto and other licenses, a portion of the gross production tax and several others.

**DEPENDENT SCHOOL DISTRICTS**

These are school districts which do not maintain high schools. The Board of Education consists of three members. They are supervised by a principal rather than a superintendent and the administrative responsibility rests with the various county superintendents.

**ENROLLMENT**

It is the number of pupils enrolled at a given time. One method of distributing monies is to determine the number of pupils enrolled at pre-determined times, often two to four, during a year. The average of these is taken to determine how much money each school district will receive.

**FLAT GRANTS**

These are allocations of state money that are distributed on the basis of pupils, teachers, or some other unit. Flat grants do not take account of the relative wealth of school districts.

**HOLD HARMLESS**

A clause included in the statutes to guarantee that no school district will receive less money than that received in a specific year. This is the usual approach when finance reform is undertaken to ensure that a district will not receive less revenue than the previous year as a result of the reform.

**INDEPENDENT SCHOOL DISTRICTS**

These are school districts which maintain a high school. The Board of Education consists of five or more members and the district is required to employ a superintendent who has a certificate.

**PROPERTY VALUE**

It is the value of property as established by county assessors in terms of "best use."

# APPENDIX

NOTE: The material included in the appendix has been selected from what was prepared for the Commission as it held meetings and studied issues. Because of space limitations, some of the material provided to the Commission could not be included. Nevertheless, we believe much of the information contained in this appendix can be useful to some who may be exploring some of the issues the Commission dealt with, and we believe it demonstrates that the Commission's recommendations were developed only after rather thorough consideration of the various issues related to the recommendations.

**ORGANIZATIONS THAT WERE INVITED TO ATTEND OCCE MEETINGS:**

Oklahoma State School Board Association
Oklahoma Education Association
Cooperative Council of Oklahoma School Administrators
Oklahoma Association of School Administrators
Oklahoma Association of Secondary School Principals
Oklahoma Association of Elementary School Principals
Oklahoma Association of Education Support Personnel
Oklahoma Association of School Business Officials
Oklahoma Vocational Administrators Council
Oklahoma Federation of Teachers
Oklahoma Teachers Retirement System
Oklahoma Association for Gifted and Talented Education
League of Women Voters of Oklahoma
Oklahoma Reading Council
Oklahoma Special Education Council
Oklahoma Association of Colleges of Teacher Education
Oklahoma Council for Exceptional Children
Oklahoma Association of Children with Learning Disabilities
Oklahoma Conference of Parents and Teachers

## PERSONS WHO TESTIFIED BEFORE THE OKLAHOMA CITIZENS COMMISSION ON EDUCATION DURING ITS EXISTENCE

Governor George Nigh

Representative Daniel D. Draper, Jr., *Speaker, Oklahoma House of Representatives*

Dr. Bob Mooneyham, *Director, Oklahoma State School Board Association*

Margaret Buvinger, *Oklahoma State School Board Association; Enid School Board Member*

Kip Stratton, *State Election Board*

Martha Nell Dodson, *Oklahoma City Public Schools*

Leroy Taylor, *Superintendent, Liberty Public Schools, Muldrow*

Harvey Tedford, *Director of Comprehensive Health Education, Oklahoma State Department of Education*

Weldon Davis, *President, Oklahoma Education Association*

Dr. Clayton Millington, *Council for Economic Education, Oklahoma State University*

Dr. Michael Langenbach, *College of Education, University of Oklahoma*

Lois McKillen, *John Marshall High School Senior*

Julie Bell, *Jefferson Middle School Seventh Grader*

Miles Manley, *Grant High School Sophomore*

Joyce Jech, *Early Childhood Specialist*

Lynn Stewart, *Oklahoma Education Association*

Paulette Barnes, *President, Special Education Directors of Oklahoma*

Dr. Lloyd Korhonen, *University of Oklahoma*

Judy Franks, *Early Childhood Specialist, Oklahoma State Department of Education*

Judy Towry, *Director, Head Start of Oklahoma*

Lewis Bohr, *Director, Ad Valorem Division of Oklahoma Tax Commission*

# MATERIALS SUBMITTED TO COMMISSIONERS

## FINANCIAL PROBLEMS

We have developed a substantial amount of material relating to school finance in Oklahoma. We have indicated that there are serious problems. The basic legislative intent for equity and fairness has been thwarted.

The current situation is not the result of conscious action by lawmakers. At each point in time, the legislators have responded to their constituents and others in ways that seemed best to them. The major problem has been the lack of long-range, comprehensive planning. There has been failure to take account of the cumulative implications of the specific decisions that have been made in each legislative session. The blame for this lies with no one. There simply has been no apparatus through which there could be consideration of broad policies designed to accomplish goals over a period of time.

To illustrate how situations that are not defensible can develop when decisions are made without consideration of their implications for the future, Chart #11 provides information showing that the flat grants for teachers' salaries enacted in recent years by the legislature have tended to disequalize rather than equalize. The percentage of their total budget coming from the state has increased much more for the wealthy districts than for the poor districts.

### CHART #11

### PERCENTAGE INCREASE IN STATE APPROPRIATED FUNDS

### FROM 1973 to 1979

| District | State Appropriated Money As Percent of Total Revenue[1] 1973 | 1979 | District Wealth (Assessed Valuation Per Capita) 1979[2] |
|---|---|---|---|
| A | 17% | 30% | $24,910 |
| B | 10% | 24% | $55,357 |
| C | 18% | 32% | $18,975 |
| D | 7% | 18% | $56,763 |
| E | 11% | 33% | $26,536 |
| F | 53% | 55% | $ 1,773 |
| G | 57% | 63% | $ 2,922 |
| H | 47% | 52% | $ 2,265 |
| I | 50% | 54% | $ 2,659 |
| J | 54% | 59% | $ 6,081 |

1. State appropriated percentage of total revenue for public schools increased by 10% from 1973 to 1979.
2. State average assessed valuation per capita in 1979 = $11,264.

## Assumptions

Consider the following assumptions:

1. State policies should encourage local control of public schools through elected school boards — but, the state must make certain that minimum standards are maintained.
2. State policies should eliminate fiscal inequities among school districts — but, those policies should take account of the unique characteristics of the districts and their pupils and encourage local initiative.
3. State policies should encourage local fiscal input to schools through use of the property tax — but, the state should ensure that the property tax is fairly and equitably administered.
4. State policies should encourage an organizational structure for public education that makes efficient use of tax dollars — but, organizational changes should be made only after careful study **and** with opportunity to choose among alternatives for those affected.

It is our guess that most of you will find it possible to accept these, but if you have any questions about them we urge you to raise them. As the work of the Commission evolves, we will doubtless be suggesting others for your consideration.

Unfortunately, it is easier to reach consensus on such general assumptions than it is on the most appropriate policies for implementing them. What we hope you will do is consider the pros and cons of the various issues relating to the development of basic state policies designed to implement the assumptions. At each of our meetings, we hope to get input from you about specific issues and we hope that between meetings you will make additional input in writing or otherwise.

Because of the immediacy of the school finance issues, we would like you to discuss the following issues with us at our October 7, 1980 meeting. They relate to one or more of the assumptions.

## Issues

1. To what extent should the legislature control salary levels in each school district?

## Background

As shown by the materials you have received earlier, a substantial part of the local salary decision structure is now controlled by the legislature. A mandatory salary schedule has been enacted that establishes minimums, maximums, the amounts of the annual increments, and otherwise specifies what is the least amount that can be paid to every teacher in every experience and degree category.

As you know from materials in the source notebook, such an approach guarantees salary increases for teachers in every school district, but it does not standardize salary schedules. By virtue of their larger local tax base, wealthy districts pay much better salaries than poor districts. Whether or not that has an impact on the quality of teachers is sometimes debated, but consider the salary ranges of two neighboring school districts. One offers a beginning teacher $1450 more than the other. The wealthy district gives salary credit for work beyond the masters degree that could yield a conscientious teacher more than $19,000 plus fringe benefits. That is at least $2,000 more than the maximum potential in the poor district. You might ask yourself what you would do as a prospective mathematics teacher if you were offered a job in both of these districts. It seems likely that you would take the offer in the district with the better salary schedule and where the facilities and other working conditions are likely to be superior. It seems probable, then, that given sound personnel management, the wealthy district will have better quality teachers than the poor district.

Even though the flat grants for salaries do create problems of inequity, the arguments in behalf of them are vigorous. For example, teacher organizations, for the most part, have supported the concept of mandated salary increases. This apparently stems from their concern that if local school boards are left to their own devices, in many instances they would not be generous or perhaps even fair with their employees, It is also probably their perception that it is easier to deal with the legislature in its one central location than it would be to deal with 620 different school boards.

Although it would seem that school boards and superintendents would be on the other side of this issue, that is not always the case. Most boards and superintendents are not enthusiastic about formalized negotiation with their employees on salary matters. When most of the decisions are made for them by the state legislature, it is easier to use the legislative mandate as a means of discouraging local negotiation situations.

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2. To what extent should the local school district determine the level of financial support for its schools?

**Background**

As you know from the earlier materials, there are several optional millage levies that are decided upon through a vote of the citizens in each school district. These votes also affect the amount of state aid that will be received. Still, under the present school finance arrangements, the ability of the local district to determine its level of financial support is limited.

Some would argue that it is crucial to allow districts as much leeway as possible to take initiative for financial support of their schools. That way, the argument goes, local taxpayers will be rewarded for their willingness to support the schools. Furthermore, it gives local citizens the opportunity to hold the local school board accountable for how its dollars are spent.

Some would argue that local financial options should be kept to a minimum, or, as in the case of full state funding, eliminated. Advocates of this point of view say that education is a state responsibility. Pupils should not be allowed to suffer educationally because of the whims of the local electorate. Furthermore, taxing capacities vary so greatly that the more local leeway allowed, the greater will be the inequality among school districts. Also, the taxpayer effort often does not correlate significantly to money available for the schools. Instead, it is the result of chance location of valuable property in the school district.

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3. How should the property tax be administered?

**Background**

As indicated in the source notebook, the present system places the primary responsibility for determining the values of property and the ratio to be used for assessment purposes in the hands of the county assessors. They do not approach the task in the same way in each county. Policies differ not only among counties but within counties. Furthermore, each election brings the possibility of a new county assessor who may well increase or decrease the assessment ratio and perhaps take an entirely different approach to his/her obligation to reassess property.

The current approach results in taxpayer inequity. That was discussed in the source notebook. There are those who insist, though, that the present system is consistent with the concept of local political accountability. As an elected county official, the assessor obviously will be responsive to the wishes of the voters.

Most persons would probably agree that the only possibility for bringing about consistent administration of the property tax throughout the state is for the state either to take the responsibility for assessment itself or to require local assessors to follow clearly defined criteria established by the state. Some feel that this can be accomplished only through changing the assessor from an elected to an appointed official whose professional qualifications would be defined.

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4. To what extent should the educational needs of individual pupils be considered in the distribution of state funds?

### Background

We know pupils differ and that educational programs for some are more expensive than those for others. Although substantial amounts of money are being appropriated by the legislature for special education and vocational education, very little else is incorporated into the allocation of monies to school districts that recognizes specific pupil needs.

A number of states have adopted pupil weighting approaches to the allocation of state monies. In some instances, there are many specific weightings applying to a variety of pupil needs.

A few states are using teacher unit or instructional unit weightings. Except for those that have not initiated school finance reform and, therefore, have programs resembling Oklahoma's pre-1970 salary schedule equalization formula, the instructional unit weighting approaches are similar to pupil weighting except for the size of the weighted unit.

Pupil weighting plans are not easy to implement. They require careful accounting both in the classification of pupils and in the monitoring of that classification. Determination of what weights should be assigned the various categories is also difficult. As nearly as possible, the weightings should reflect actual relative costs and that is not easy to determine.

In view of the difficulties involved in a pupil weighting system, some argue that a simpler approach to distribution of state monies should be adopted. They say, and rightly so, that state administration will be far less complicated with a simpler distribution plan and that special pupil needs can be met through equalized block grants for special education or whatever.

The proponents of detailed pupil weighting plans argue that they are worth the extra administrative problems. Furthermore, they say, pupil weighting is consistent with the increasing awareness that to the degree possible every pupil should be dealt with in terms of his unique educational needs. Also, the recognition that handicaps among pupils, and special talents, too, are far more specific and extensive than we had realized even a few years ago is cited by the pupil weighting advocates as evidence to support their position. States that have most recently reformed their approach to school finance almost without exception have adopted pupil weighting plans. New Mexico, Missouri, Illinois, South Carolina, Florida, and many others are examples.

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## THE CONTROL ISSUE

Debates about who should control the public schools have been going on since the country began. From the beginning, though, there has always been consensus that the American schools should not be a national system controlled by the federal government. That is still the position taken by most persons, but in recent years federal laws and federal funds have led to increases in federal control.

The issue of state versus local control is more complex. Although lip service is usually given to local control, a totally defensible position on the matter has not emerged. The conclusion individuals reach often relates to their own philosophy about government and schools. Typical statements one might hear in support of one or the other position follow:

### State Control Positions

1. In larger communities, the school board cannot adequately represent the diverse views of the community. Therefore, those who serve on school boards often represent narrow special interests with axes to grind rather than the broader educational interests of the community as a whole.
2. In the smaller communities, the school board often reflects the majority biases of the community. Therefore, minority groups and others are discriminated against. Teachers are sometimes mistreated or dismissed if they don't go to the right church or patronize the right stores.
3. The local community and its school board structure the educational system in terms of their own narrow views. Therefore, products of the school systems are often not prepared for life in the society at large.

4. Local school boards sometimes use the schools to further their own personal interests.
5. Communities sometimes emphasize athletics more than education.
6. Programs and policies vary among school districts. Since high percentages of families move from one community to another, pupils are at a disadvantage as they try to make the transition.

**Local Control Positions**

1. Communities and their pupils have differing needs and state standardization would lead to undesirable inflexibility in the educational system.
2. State political leaders might use their power over schools to indoctrinate students in the political direction they favor.
3. Basic to the American system is the tradition of local control of schools. Any attenuating of that tradition is a step in the wrong direction and is a threat to democracy.
4. Decisions are best made by those closest to where they are to be implemented. In the case of education, those closest to the point of implementation are the residents of the local community.
5. Schools are partially supported by local taxes. Local citizens should have the right to determine how their money is spent.
6. Cultural diversity is an essential element in the American society. That heritage is best served when the schools reflect the diverse values of the various local communities.

The fact is that emotionalism plays a large part in the positions of many persons on the issue of local versus state control of schools. As indicated earlier in the source notebook, it is likely that most people who give the matter careful thought would not advocate either in the extreme. Some decisions can best be made at the state level and others ought to be made at the local level.

In a sense, it often comes down to a matter of "who do you trust?" In Oklahoma, with its 620 school districts, the quality of decisions made in each district will vary. If you are an active member of a teacher organization, you may not be willing to trust your fate to the whims and what you might consider to be the incompetence of the local school officials. On the other hand, if you are a patron in a school system in a distant corner of the state, you may have great reservations about trusting important educational decisions to the politicians at the State Capitol.

Organizationally, it is a matter of debating the issue of centralization versus decentralization. Even within school systems, philosophies vary about the degree to which principals should be given the autonomy to function on their own. The ultimate in decentralized decision making would be the so-called "family power" or "the voucher system" that has been proposed in California and other states in which families would be given vouchers that would represent tax credit that could be used in any school of the family's choosing. Under that system, if parents didn't like the decisions being made in a particular school or school system, they would simply take their tax voucher and enroll their children in another school.

Centralization has advantages, too. It usually means a more efficient decision process and results in greater standardization. The risk of bad decisions by incompetent officials may be reduced because of the fact there are fewer involved in the decisions. On the other hand, when a mistake is made, it affects the entire system.

Whatever the answer, we need to find it. There is some evidence of a crisis of confidence in the decision process as it now exists in the public schools. One of the minor candidates for President of the United States was quoted in the newspaper recently as indicating a complete rejection of public schools. He was advocating that they should be replaced by a totally private enterprise, entrepreneurial oriented system. One of the major candidates for President supports the concept of tuition tax credits for those who choose the private school alternative. Many would see that concept as extremely threatening to the public school structure. All of this seems to suggest that who makes the decisions and the quality of those decisions is of greater concern to citizens in general than has ever been the case before.

Pages 45 through 48 in the source notebook show the continuum of local versus state control on curriculum, personnel, materials and methods, and school structure issues. The material from the October 7 Oklahoma Citizens Commission on Education meeting reflect local and state perspectives on salary levels, determination of financial support for schools, property tax administration and pupil weighting.

Goal Statement:

> State appropriations for public schools will result in equity among school districts and equalization of educational opportunity among pupils (to the degree possible), but will encourage initiative by local school districts.

Objectives:

1. State monies will be appropriated in inverse proportion to the capacity and effort of the local school districts to raise money for schools.
2. State appropriations will recognize the unique characteristics of school districts.
3. State appropriations will be distributed so as to take account of the differing educational needs of pupils.
4. The distribution pattern of state monies will enable the legislature to target money for specific educational needs as perceived by the legislature.

Changes Related to Accomplishing Objectives and Achieving Goal:

1. Flat grants can be eliminated.
2. All money appropriated can be distributed through an equalization formula.
    2.1. Such a formula can use some form of weighting (pupil or instructional unit) to accomplish objectives two through four.
3. Local leeway for raising money can be permitted, but the amount can be limited.
4. Local leeway can be "power equalized" to allow equal reward for equal effort.
5. Dedicated revenues such as gross production tax, auto license and other vehicle fees, and school land revenues can be placed in a permanent fund at the state level and distributed through a formula.
6. Revenues from public service property can be distributed to districts throughout the state through a formula.
7. Criteria relating to teacher salary levels can be mandated by the legislature.
8. Transportation costs can be assumed by the state.
9. Districts with limited resources can be assisted in capital outlays by the state.

Goal Statement:

> The primary control of public schools will be at the local community level through the local school board. Minimum state standards will be established and maintained that will ensure reasonably consistent educational quality throughout the state.

Objectives:

1. The local school board shall be the primary determinant of the curriculum, of who is to be employed, the conditions of employment, the allocation of financial resources, and other matters having to do with the operation of the schools.
2. The state shall establish and maintain general standards for curriculum, for professional personnel qualifications, for responsible administration of public monies, and for other matters related to the maintenance of minimum quality standards for education throughout the state.

Alternate Approaches to Accomplish Objectives and Achieve Goal:

1. Minimum standards can be established through legislative mandate.
2. The legislature can delegate to the State Department of Education the responsibility for establishing and maintaining minimum standards.
3. The legislature can express its intent through legislation that shall be implemented through rules and regulations developed by the State Department of Education.
4. A state-wide program of testing to determine competence of professional personnel as well as pupil achievement can be established.

Goal Statement:

A fairly and equitably administered property tax will provide a significant portion of the financial support for the public schools.

Objectives:

1. The values of property for tax purposes will be determined by the use of clearly defined criteria that will be applied consistently throughout the entire state.
2. The assessment ratios will be the same for each county in Oklahoma.

Alternative Approaches to Accomplish Objectives and Achieve Goal:

1. The county assessor could be changed from an elected to an appointed official. He/she would meet professional qualifications and would be obligated to follow criteria established by the state in carrying out his/her responsibilities.
2. The county assessor could continue as an elected official, but he/she would be required by law to follow assessment practices that are consistent with criteria established by the state. Penalties for failure to follow the criteria would be sufficient to ensure compliance.
3. The responsibility for assessment of property could be delegated to the State Tax Commission. The Commission would assess all property in the same way as it now assesses public service property.

## CAPITAL OUTLAY ASSISTANCE

There is a wide range of forms of state participation in capital outlay assistance for local school districts. They include direct grants, loans of various kinds from the state, use of the state's credit to reduce interest rates, and several combinations of loans and grants.

The sources of state funds used for grants and/or loans include general appropriations, earmarked taxes, state bond issues, and even the use of revolving funds such as the permanent school fund (school land fund) and teacher retirement funds.

Rather than provide the details of several specific states' plans for capital outlay assistance, we have chosen to summarize the various approaches used. The range of support is from that which is little more than token in character to the complete funding of school facilities in the state of Hawaii.

Before beginning the summary, it should be pointed out that in the most technical sense Oklahoma does provide indirect assistance for capital outlay to some districts. Money appropriated for school districts that is not otherwise restricted and goes into the general fund can be used for any legitimate purpose, including capital outlay. School districts have a capital outlay account in the general fund. A few school districts, because their borrowing capacity is extremely limited and their requirements for capital outlay are compelling, place significant amounts of money in the capital outlay account. Unfortunately, this is of very little use in alleviating the capital outlay problem and contributes even further to inequitable school financing, because whatever money is spent from the general fund on capital outlay cannot be spent for instructional materials and equipment and the salaries of personnel.

## State Grants

### Full State Assumption

A few states have made very substantial commitments for capital outlay expenditures. Hawaii is the only state which has succeeded in funding virtually all of the needs, but states such as Maryland and Florida have expressed their intent to provide whatever facilities are needed. Even in Hawaii, however, counties are given the option to go beyond what is provided by the state.

In each case, there is determination of local need on the basis of state established criteria. These vary from state to state, but in the states with large capital outlay assistance programs, decisions about what and how much will be built where are usually based on specific priorities. For example, highest priority might be given to providing additional classrooms in growing school districts where more pupil stations are needed. Renovation to protect safety and health is also usually a high priority while lower priorities are often assigned to auxiliary facilities such as spectator gymnasiums, football stadiums, and auditoriums.

With the Hawaii exception, states that have attempted to assume the full responsibility for capital outlay have found that the financial requirements are so great that they have been unable to meet them. Therefore, they have found it necessary to cut back and provide facilities to the extent of available funds. Some type of joint local-state contribution in capital outlay is probably more practical.

### State-Local Sharing

Several states have developed a pattern of capital outlay support involving sharing the costs of construction with local districts. It is usually in the form of a percentage matching grant for capital outlay. This is done through reimbursing the districts for a portion of their expenditure. The amount tends to run about 50 percent of construction costs. A maximum percentage is usually established by the state.

Sometimes differences in percentage of support vary according to the type of construction of new classrooms while a lower percentage is provided for renovation of existing facilities.

### Flat Grants

About ten states provide some form of state flat grant. They usually take the form of a given amount per pupil or per weighted pupil. Sometimes teacher units or even square feet per ADA are used as a basis for determining what the flat grant per district will be.

### Equalizing Grants

Several states use an equalized grant for assisting in capital outlay. This means that the grant is sensitive to the capacity of the local district to raise money for construction of school facilities. Wealthy districts receive little or no money while poor districts may receive a fairly large percentage of what they need. There is usually an effort factor incorporated in formulas of this kind to ensure that local districts are carrying their fair share of the capital outlay burden. These equalized grants are often incorporated as part of the state distribution formula for operating expenses for the districts.

Although they have not received serious consideration by the legislature, proposals for capital outlay assistance have been made several times in Oklahoma. The suggestions incorporated in the budget requests of the State Department of Education have incorporated equalization provisions.

## Building Authorities

A few states, Pennsylvania having the longest history of it, have established state school building authorities. These operate somewhat like public trust financing of airports, power plants, and other public facilities. For the most part, they obtain the money to finance school projects through the issuance of revenue bonds. The revenue comes from lease payments by the local districts. When the bonds are paid off, the property is deeded to the school district. In some instances, the interest rate on the bonds is reduced by placing the full faith and credit of the state behind them so that if there is default, the state would pick up the tab.

Just as state building authorities have been formed in a few states, some states have authorized the establishment of local trust authorities for the building of school facilities. Again, revenue bonds are issued and are repaid through rental or lease payments by the local school district. Although it isn't specifically provided for legally, at least one project in Oklahoma, a football stadium, has been financed through a trust.

### Use of Permanent School Fund

A few states have used revenue from the permanent school fund (school land money) and made it available for the construction of facilities, including the retirement of bonds. That has been accomplished in these states by asking Congress to amend the Enabling Act that granted the school land to the state so that it could be used for capital outlay purposes.

### Loans

Quite a number of states use various forms of loans to assist local school districts with their building projects. Frequently, the loans are provided with lower than market value interest rates and in at least one case without any interest at all. States usually establish minimum requirements for qualifying for state loans relating to their local tax efforts and/or the degree to which they are bonded to capacity.

Loans are basically a stopgap measure because they must be repaid. A few states have adopted programs involving loans in combination with grants.

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The above summary illustrates that most states have tried to assist local districts with school construction costs. As you can see, there is a wide variety of approaches used. Several groups such as the Educational Facilities Laboratories, the National Capital Outlay Project, the President's Commission on School Finance, and the National Education Finance Project have developed criteria for defensible plans for assistance in capital outlay for school facilities. The criteria these groups suggest are similar. They could be used as a basis for developing a long-range capital outlay program for Oklahoma.

## SUMMARY OF FINANCE ARRANGEMENTS IN OTHER STATES

As you know from your efforts to understand school finance arrangements in Oklahoma, state plans tend to be rather involved and somewhat technical. They use complicated distribution formulas, various measures of fiscal capacity, educational needs, district characteristics, and other factors. Furthermore, the terminology differs from one state to another. Each state has its unique characteristics that have led state legislatures to pass laws relating to those unique conditions.

If there were one state that had worked out all of the various problems of school finance better than all others, then we would suggest that the pattern adopted in that state be followed by others, including Oklahoma. That isn't the case. There is no specific plan that has been adopted by any other state that ought to be adopted by Oklahoma. Still, since about half of the states have adopted some kind of reform during the last 10 years, it is possible to identify elements from various states that can be useful as plans for Oklahoma are developed.

We have chosen to briefly summarize the school finance reform plans that have been adopted in four states. They are Florida, Missouri, New Mexico, and Utah. Three of these, Florida, New Mexico and Utah, have adopted a pupil weighting approach, but each has applied pupil weighting in ways that differ from any of the others. The fourth state, Missouri, does not use pupil weighting. However, its approach has some other unique characteristics that are worth examining.

### Florida

The plan adopted by Florida has received a great deal of visibility. Many of its provisions grew out of the activities of a commission somewhat like ours that was active in Florida in the early 1970's. It involves one of the most elaborate of the pupil weighting systems.

Determining the amount of state aid for a given district in Florida is simply a matter of multiplying the "base student allocation" as set by the legislature times the number of weighted pupils and subtracting from it the required local effort. The amount of the base student allocation for 1978-1979 was about $900 and the required local effort was 6.4 mills. The local leeway allowed was up to 8 mills. In other words, the amount that could be raised at the local level beyond that required by the state program was 1.6 mills. It should be pointed out, however, that the millage rate in Florida is a totally different matter than it is in Oklahoma. Rather than an assessment ratio, taxes are based on what is determined to be full value. Therefore, a tax rate of 1 mill represents a far higher tax liability than would be the case in Oklahoma.

The real key to the program in Florida is the heavy reliance on a comprehensive pupil weighting system. In 1978-79, there were four weightings for basic programs, 15 weightings in two classifications for the various vocational programs, and 1 weighting for adult basic education. That makes a total of 32 different weighting categories.

Florida uses a full-time equivalency approach to pupil weighting. They use a formula based on the number of hours per week (25) each student is in either a basic program and/or one of the exceptional or vocational education programs. If a student spends 1 hour per day in a class in one of the exceptional categories and the other 4 hours per day in a basic program, his full-time equivalency would be determined by multiplying 5/25 times the weight of the exceptional education program and adding that to 20/25 times the weight of the basic program. For example, if a pupil were a fourth grader (weight = 1) spending 1 hour per day in a gifted and talented program (weight = 2.91), the weighted full-time equivalency would be determined as follows:

$(20/25 \times 1) + (5/25 \times 2.91) = 1.38$ (Full-time Equivalency)

Such calculations are carried out for all pupils to determine the weighted F.T.E. for all pupils in the school district. This is then multiplied by the base student allocation and that determines, after subtraction of the 6.4 mills, how much state money the school district will receive.

There is a requirement in Florida that 80 percent of the money that is generated by the various weighted categories must be used in that program. Florida also implemented with its pupil weighting system a comprehensive accounting system that was designed to bring about school based management, annual reports of school progress, program cost accounting, and a state management information system.

The Florida plan takes very little account of differing district characteristics. Although a sparsity factor was included in the bill, it has never been funded. There is also no provision in the Florida plan for variations among the costs of funding teachers salaries. However, Florida is unique in having a cost of living factor as a part of their school finance plan. That was based on the assumption that the cost of living varied from one region of Florida to another and that those differences should be taken into account in the allocation of school funds so that teachers could be compensated at a higher level if they happened to teach in a district with a higher cost of living than some other district. The adjustment is made by raising or lowering the base student allocation in relation to the consumer price index determined in each of the several regions of the state.

The Florida system has been both praised and damned — both probably deserved. It is comprehensive but it is also complicated. The management problems associated with its implementation have been formidable. Much can be learned from the experiences in Florida and some of the elements of Florida's approach are worthy of emulation while others are not.

### Missouri

In 1977 Missouri adopted a new finance plan. It is said to have been a result of bipartisan effort, citizen support, and legislative and executive leadership.

Missouri's plan does not use pupil weighting. Instead, it is a two-tiered finance structure involving a foundation program that is supplemented by a guaranteed tax base program for districts choosing to spend above the foundation level. The guaranteed tax support concept is sometimes called power equalizing.

One of the unique aspects of the Missouri program is that the foundation support level is defined as a percentage of the statewide average current operating expenditure per pupil. At the time of the adoption of the bill, that was set at 75 percent of the second preceding year in which the state aid was to be distributed.

The amount to be deducted (chargeable) from the foundation level is also based on a percentage figure. It uses a relatively complicated pupil weighted current operating school tax rate from the second preceding year. The idea behind using percentages was that as the bases change over time, the percentage approach will tend to keep the formula current without the need for legislative action each year.

The guaranteed tax base is defined in terms of a cumulative percentage of assessed valuation per pupil. In 1977-78, that amount was $24,238. What the guaranteed tax base (power equalizing) means is that each district is guaranteed to receive whatever that rate would bring if the assessed valuation per pupil were at the determined level, even though in the district in question the actual assessed valuation per pupil might be much less.

Missouri has some property tax problems similar to those we have in Oklahoma. These were not resolved before the reform bill was enacted and the amount allocated to districts from the state is adjusted in terms of a sales-assessment ratio compiled by the state tax commission.

Another interesting feature in the Missouri plan is the use of an income factor. It is designed to compensate for the effect of income on the Missouri school finance structure. It is applied to the tax rate deduction which is increased or decreased by one-half the deviation of the district's average adjusted gross income per tax return from the statewide average. This income adjustment affects not only the foundation tier, but also the guaranteed tax base.

Another unique aspect of the Missouri program is that they use both average daily attendance and average daily membership. They were weighted equally so that in a given district, one simply averages the ADA and the ADM. That was a compromise between the rural and urban areas because attendance rates in the urban areas tend to be lower than in the rural areas.

The Missouri program also includes in the foundation tier an add-on for pupils from families who receive aid to dependent children. The amount is 25 percent. In other words, for each pupil in the poverty category, 25 percent is added to the foundation aid calculation.

Missouri supports special education on a classroom unit basis. They use a sliding scale depending on the handicapping condition. The range is from $5,044 to $6,726 per classroom unit.

The Missouri plan is quite different from that of Florida. Like programs from other states, it has some elements that are worthy of consideration and others that probably are not.

### New Mexico

About the same time Florida adopted its plan for pupil weighting, New Mexico was independently developing its own. Ironically, the New Mexico program leaned heavily for its conceptual base on the work of a massive national study of school finance that was carried out under federal auspices at the University of Florida. Florida legislators gave much less credence to that study than most others.

In New Mexico the pupil weights are based on average daily membership. They include weights for the basic programs by grade level which are 1.3 for Kindergarten, 1.1 for grades 1-3, 1 for grades 4-6, and 1.25 for grades 7-12. Full-time special education pupils are classified as moderate which receives a weight of 1.9 or severe which receives a weight of 3.8. There are "add-on" or cumulative weights for part-time special education, for vocational education, and for bilingual education.

The New Mexico system is a foundation program which is similar in structure to the Florida system. A required levy of 8.9 mills is deducted from the base amount determined by multiplying the number of weighted pupils times the legislatively established base support level. There is no local leeway. No school district is authorized to levy any more than the 8.9 mills required. Public Law 874 money (Federal Impact Aid) is also 95 percent chargeable in New Mexico.

The New Mexico system is much more responsive to the specific characteristics of districts than the Florida system. They have a teacher experience degree scale which takes account of the fact that some districts have higher concentrations of expensive teachers than others. Districts with declining enrollments often fall in this category and are helped by this provision. Rapidly growing districts, on the other hand, tend to have large numbers of young and inexperienced teachers with lower salaries.

There is also a funded sparsity factor in the New Mexico formula. It provides a sliding scale which increases the number of weighted pupil units as the school and/or the district decrease in enrollment below a minimum.

One of the other basic differences between the Florida and New Mexico plans is that in New Mexico the local district is left almost entirely on its own to manage its own resources. There is no monitoring to determine if the money that is generated by the weights of pupils is spent specifically for those programs. The tradition of local control has apparently been very strong in New Mexico and has resulted in a situation wherein local districts make their own decisions about salaries and all other matters.

Again, as we said in the case of the other states, some elements in the New Mexico plan are exemplary. It is probably the most equalized system other than Hawaii in the entire country because of the fact that no local leeway on property tax is allowed. Whether that is seen as a good thing or a bad thing depends on one's philosophical orientation, but in New Mexico it certainly does not mean reduced local control.

### Utah

Utah's school finance system also has some unique characteristics. Weights are used, but not as in Florida and New Mexico in terms of grade levels. Grades K-12 are all weighted at 1.

Utah has seven full-time handicapped programs which are weighted on a full-time equivalency basis. There are eight more weights that are add-ons (cumulative) for part-time handicaped programs and five more add-ons for vocational programs.

As in the other states, a base student allocation is determined by the legislature and multiplied by the number of weighted pupils. The local required share is 28 mills which is subtracted from the base amount. Up to 10 more unequalized mills may be added locally for any purpose. In Utah's case, then, some local leeway is allowed.

Utah has factors for both teacher experience and sparsity. Although the factors are different, the application is similar to that described in the New Mexico system.

One of the basic differences between New Mexico and Utah is that Utah is very much oriented to control at the state level of the expenditure of funds. All of the money (100 percent) generated by the program weights must be spent in those programs.

The Utah system has many of the elements observed to be present in Florida and New Mexico, but as can be seen, the implementation and application differ from the others. As with the other states, some elements in their program are excellent, but others are less defensible.

## STATE-LOCAL CONTROL BALANCE

In several meetings of the Commission we have discussed who should make what decisions about the schools. We have never really reached consensus about how much control the state should exercise over what happens at the local community level. Most of you agree that the American tradition of local control of schools should be maintained in Oklahoma. On the other hand, many of you have expressed dissatisfaction both with the kinds of decisions that are often made at the local level and what you view as the limited involvement of local citizens in the decisions about the schools.

Because of these reservations, some of you have indicated that the state should require more of local school districts than has been typical. On the other hand, others have said that there are already too many mandates from the state level, particularly curriculum mandates, and that curriculum matters are beyond the expertise and the appropriate jurisdiction of the state legislature.

Several of you have continued to express a high level of interest in possible changes in the basic element of the whole concept of local control and since the quality of the decisions school boards make is directly related to how much they should or should not be given the freedom to act on their own, that issue probably should have highest priority as we move toward recommendations about state-local control balance.

## Recommendations from the Commission

During the remaining months of the Commission's life, it will be important for us to develop specific recommendations to the legislature. Much of our time so far has been devoted to background discussion. We will need more background discussion on many other issues in the coming months, but it is time for us to get specific and formally adopt recommendations on which we can reach consensus that can ultimately be considered by the legislature. We want to suggest that we start by developing recommendations on whether or not the current approach to the selection of school board members should be revised.

## Selection Procedures

The current statute on election of school board members has been amended and changed enough times so that it tends to be confusing. Therefore, the number of school board members and how they are elected is not the same in every community. In particular, some of the larger communities have procedures that differ from most of the others. However, the vast majority of school board members in Oklahoma are elected for five year terms. Those terms are staggered so that one member is elected each year. That election, in most instances, is held on the fourth Tuesday in January, at the same time as the annual election on millage levies. If vacancies occur, the other school board members select a replacement who must then stand for election at the next regular school election.

## Possible Changes

### Shorter Terms

Some of you have suggested that five years is too long for any elected official. Some possible alternatives involving two, three and four year terms are summarized in the following charts:

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### 2 YEAR TERM

| | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 |
|---|---|---|---|---|---|---|---|---|---|
| Office 1 | X | | X | | X | | X | | X |
| Office 2 | X | X | | X | | X | | X | |
| Office 3 | X | | X | | X | | X | | X |
| Office 4 | X | X | | X | | X | | X | |
| Office 5 | X | | X | | X | | X | | X |

### 3 YEAR TERM

| | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 |
|---|---|---|---|---|---|---|---|---|---|
| Office 1 | X | | | X | | | X | | |
| Office 2 | X | X | | | X | | | X | |
| Office 3 | X | | X | | | X | | | X |
| Office 4 | X | X | | X | | | X | | |
| Office 5 | X | X | | | X | | | X | |

### FOUR, 4 YEAR TERMS — ONE, 2 YEAR TERM

| | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 |
|---|---|---|---|---|---|---|---|---|---|
| Office 1 | X | | | | X | | | | X |
| Office 2 | X | X | | | | X | | | |
| Office 3 | X | | X | | | | X | | |
| Office 4 | X | | | X | | | | X | |
| Office 5 | X | | X | | X | | X | | X |

Other alternatives could be considered.

### Number of Members

Most school boards in Oklahoma consist of five members. The dependent districts have three members and some of the larger communities have seven and at least one community has nine.

### Time of Election

Most school board members are now elected in January. Some possible options that could be considered include the following:

1. A late spring election. (April or May)
2. A fall election.
3. An election coinciding with a state or city election.

### Operational Procedures

At a previous Commission meeting, there was discussion of various factors relating to the operation of both elections and the school board itself. We have copied that page so that you can discuss it further if you choose. Although you have probably disposed of the question of mandatory advisory councils, it may be that you would wish to discuss further the possiblity of some kind of specified mechanism to facilitate citizen input into school board decisions.

## COMMUNITY INVOLVEMENT IN SCHOOLS

At our last meeting there was discussion about the responsiveness, or lack thereof, of local school boards and administrators to the local communities.

Three approaches are possible which would increase the degree of citizen involvement and responsiveness of schools to the public. One would be to develop an additional mandated structure that would involve citizens in the decision making process. The second would be to increase the awareness of the public to school decisions. A third possibility would be to change the structure and timing for the election of school board members.

Alternatives the Commission may want to discuss which would provide for implementation of each of these approaches could include the following:

I. Mandate an Advisory Council made up of citizens in local school districts.

   A. School boards would be expected to file written reports periodically (and at least annually) with the council.

   B. Council would be given authority to respond to reports by written recommendations for change.

II. Increasing awareness.

   A. Conformity of school board to Open Meetings Law.

   B. Publication in local newspaper of school budget.

   C. Quarterly spending reports submitted to local newspaper.

   D. Public access to all school records.

III. Structure of school boards and election process.

   A. Revise school board elections to provide the local community with the option of electing or replacing several or even a majority of school board members on a biannual basis.

   B. Change the election process to include a provision for absentee ballots.

   C. Change the timing of school board elections from winter to spring.

D. Restructure school board elections to reduce the length of members' terms.

E. Allow for a provision whereby a school board member could be removed from office.

## SUMMARY

From time to time throughout the life of the Commission it may be useful to review what has been done and consider what might come next. This short document was designed to serve that purpose.

We've provided you with a rather formidable amount of material over the last several months. It was prepared to try to help you develop a common knowledge base for Commission discussions and deliberations. As a staff, we are encouraged by the zeal you, as Commission members, have shown by your study of the materials and the level of discussions of the issues resulting from that study. Our analyses of the minutes of the meetings suggest to us that you agree on several broad goals and in some instances you agree on more specific objectives and some of the strategies for achieving them. There are also points on which there is obviously not agreement. On some of those matters it seems likely that agreement will ultimately be reached. On others we doubt that there will ever be complete consensus among you and we would be surprised, considering the diversity of the group, if there were.

## CONSENSUS

### The Control of the Schools

At the last meeting you formally adopted the goal statement dealing with the control issue which was stated as follows:

> The primary control of public schools will be at the local community level through the local school board. Minimum state standards will be established and maintained that will ensure reasonably consistent educational quality throughout the state.

Although they were not formally adopted, the objectives leading to the above goal statement were discussed and it appeared there was general agreement with their content. A suggestion was made that the phrase "the conditions of employment" be eliminated from the objective statement relating to the local school board and its responsibilities.

### State-Local Control Balance

In one way or another in virtually all of the meetings of the Commission there has been discussion of the appropriate role for the state, and specifically the state legislature, in fulfilling its responsibility to ensure that pupils in all of the 620 school districts in the state receive at least a minimum standard of educational quality. Fulfilling that responsibility while maintaining commitment to local control is difficult. At least the following conclusions seem to have emerged from our discussions:

1. It is usually inappropriate for the legislature to mandate specific curriculum provisions.
2. Local control should involve substantially more involvement of the local citizenry than has been typical in Oklahoma.

NOTE: Discussion relating to these two statements is planned for the December 15 meeting.

### Finance

It appears that there is strong consensus that a major objective in the distribution of state money to public schools should be the achieving of equity. That does not mean equal dollars per pupil, but recognizes the fact that the relative costs for educating different kinds of pupils varies.

The Commission also seems committed to the participation of local communities in the financial support of schools. The encouragement of local initiative is also seen as important.

It seems clear, too, that Commission members agree that distribution of state money should take account of the unique characteristics of school districts. Those whose population is sparsely distributed

should receive additional money to transport pupils and to support necessarily small classes. Characteristics of the urban districts where there are large concentrations of pupils from the lower socio-economic groups and where there are inflated costs for security and other matters should also be taken into account. Some Commissioners have pointed out that some communities are faced with the necessity to overcome a paucity of cultural activities. In sum, Commissioners seem to agree that school districts have unique characteristics that ought to be recognized in a distribution formula.

There is not yet consensus on exactly how objectives related to equitable financing programs can be achieved. It appears, however, that consensus can emerge from further discussion of specifics. For example, it seems that there is strong support among Commission members for the general concept of pupil weighting. Most Commission members seem to feel that such an approach, if it is developed so that it fits the particular conditions of Oklahoma, is the most promising approach for taking differing costs of educational programs for pupils into account.

There also seems to be agreement among Commission members that the amount of unrestricted local leeway allowed for raising money for schools should be carefully limited. As Commission members you apparently recognize that leaving districts to raise whatever money they can will mean that districts where there is high concentration of property wealth will have an indefensible advantage over districts whose property wealth happens to be very limited.

The Commission seems to agree that flat grants to school districts, whether for personnel salaries, special education, or whatever, contribute to disequalization among school districts. Although the political problems involved in eliminating the huge flat grants that have evolved in recent years are recognized, there seems to be a strong consensus in the Commission that the flat grant pattern is unacceptable.

Although there has been little discussion of it, there seems to be agreement among Commission members that the state should provide substantially greater support for the transportation of pupils than has been forthcoming in recent years. Rapidly increasing costs and increasing demands for expanded public transportation appear to support the state's providing schools virtually all of the financial support for it.

Commissioners have also expressed the general view that one of the biggest sources of inequitable education is the failure of the state to provide support for capital outlay. The palace to shack range of educational facilities in Oklahoma becomes more obvious each year and the Commission seems to agree that the state should give high priority to significant financial assistance to local districts who are unable to provide satisfactory educational facilities.

The Commission recognizes that the administration of the property tax in Oklahoma has resulted in taxpayer inequity. Although consensus has not been reached about the most appropriate approaches to solving the inequity of assessments and ratios, it seems likely that the Commission can ultimately agree on specific recommendations in this area.

## NON-CONSENSUS ISSUES

There are some matters the Commission has discussed about which there is still substantial disagreement. Some of these are described in the following paragraphs:

There has been discussion concerning the concept of power equalizing. Some have given that concept strong support while others seem to oppose it. Further discussion is doubtless called for, both to make certain that all Commission members fully understand the conceptual basis for this idea and to give an opportunity for mediating differing opinions.

There has been considerable discussion of the state dedicated revenues for public schools. These include the gross production tax, auto license and other vehicle fees, school land revenues, R.E.A. tax revenues, and other minor sources of revenue. There is clearly disagreement about whether or not these taxes should be distributed in a different pattern than in the past. Further discussion will be needed as well as additional information about how any changes might fit into a larger financial program.

The revenue from the tax on public service property has also received the attention of the Commission in its meetings. Most seem to recognize that retention of this tax in the local school districts probably contributes to inequity. A consensus about what should be done about public service revenue has not been reached and will require further discussion.

### Next Steps

As specific issues are discussed, it becomes increasingly clear that almost all issues, especially those involving school finance, are very much inter-related. As has been pointed out in previous materials submitted to the Commission members, one of the greatest problems with legislation of the last ten years has been its piece-meal approach to education. The Commission's goal is to suggest more comprehensive approaches to Oklahoma's education problems. One cannot defensibly deal with the dedicated revenues for schools, the public service money, the control issue, the property tax issue, and others in isolation.

With that idea in mind, and taking into account the input from the Commission as well as that from hearings held by two active interim committees of the legislature, we plan to suggest to you one or more finance packages in our January meeting. Such a package will take account of all of our deliberations plus those of the other groups. We hope you will evaluate such a plan in relation to what we have agreed upon as well as the things on which we disagree.

## BACKGROUND STATEMENT

We believe there is a sincere desire on the part of legislative leaders to receive from a commission such as ours recommendations on a wide range of educational matters. Because of differing points of view among you, we may encounter some difficulty in reaching consensus on some issues. That may mean that minority reports or other means of expressing strongly held views will be a part of the Commission's recommendations.

In any case, the Commission's recommendations as incorporated in its final report may be the most important citizen input in education that will be received by the legislature in the foreseeable future. Therefore, it is crucial that you participate fully and that you express your points of view without reservation.

Throughout the remainder of the Commission's existence, we plan to give you background and input on whatever issues are identified as appropriate. Either the staff or someone invited by the staff will probably be developing position papers. We will conscientiously seek input from the various facets of the education establishment in Oklahoma and in many instances we will invite representatives of these interests to present their views directly to the Commission. As much as we are interested in and will seek input from the various education groups, however, yours is a citizens commission and as such will probably be irreverent in your approach to the education interests. If your recommendations are counter to the views of some of the education groups, so be it. That's what the Commission is all about.

The Commission's job is to think in long-range terms and make recommendations that have implications for the future. As you will note on the agenda, we have allocated some time for discussion of long-range planning. John Pulliam, who has a national reputation as an educational futurist, has agreed to lead that discussion.

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A major thrust of the Commission meeting on April 24th will be decisions by the Commission about the sequence of consideration of a number of educational issues. During the late spring, summer and fall, we expect to give you opportunity to develop specific recommendations on many crucial issues that will confront Oklahoma and its legislature during the next two decades. What we propose to do, as indicated earlier, is to provide you with information in the form of position papers from informed people about each issue. In many instances we will also have oral presentations to the Commission at the times of its meetings. With your usual candor, we hope you will take into account the pros and cons of the various issues and that you will make recommendations that can be considered by the legislature at the appropriate time.

On the 24th, as indicated in your agenda, we will devote the first part of the meeting to a final discussion of school boards, their terms, and other aspects of the school board situation that you might perceive as making the local school more responsive to the wishes of the public. Upon completion of that task, and it will include some input from those who will argue that the current school board arrangements should not be changed, we will move to a consideration of sequences in relation to topics for the next several meetings of the Commission.

The following outline, which is not all inclusive, is designed to give you some clues about issues we think you will want to consider. We hope that you will suggest to us a sequence that is logical. Whatever you decide ought to come first will receive our highest priority attention. We will seek to develop for you through the use of well informed persons in the education community the pros and cons of issues in the sequence which you designate. The information provided to you will be both written and oral.

Perhaps the most basic issue for the public schools is the determination of what the educational priorities should be. The resources available for public schools are always finite. Therefore, decisions must be made about how those finite resources should be used. Schools are constantly faced with the dilemma of what the public expects from them and the limitations of their resources. The recent newspaper publicity about cut-backs contemplated in Oklahoma City is an example of a school system struggling with the question of how to allocate limited resources. Among the varying demands on schools are the following:

1. the basics,
2. athletics,
3. driver education,
4. consumer education,
5. the arts,
7. values (morals),
8. health education,
9. physical fitness,
10. economic education, and
11. others.

Schools can't do everything. Prioritizing among and within the above is difficult, but is likely to be increasingly necessary.

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Some say the schools should broaden their responsibilities to include the community as a whole. That leads to a consideration of issues such as the following:

1. Using the school facilities for the entire community and at hours other than the school hours.
2. The nature and content of adult and continuing education classes, if any.
3. Use of the schools for nursery and child care purposes and pre-school education.

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The education of the exceptional pupil is a crucial issue. Some of the factors that relate to such pupils include the following:

1. Should exceptional pupils be segregated for their special programs?
2. Should they be "mainstreamed" and dealt with in the regular classroom through individualized approaches to education?
3. Should **all** handicapped pupils be served through the public schools?
4. What about the gifted and talented? Can they be dealt with through individualizing in the regular classroom or should they be separated and given particular kinds of experiences designed to enhance their gifts or talents?

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There are many issues related to vocational education that need consideration:

1. Should vocational education be an integral part of the high school curriculum?
2. Should vocational education be delayed until after high school?
3. What is the role of the area vocational-technical schools?
4. What is the role of the junior and/or community college in vocational education?
5. Should vocational education be highly specific and oriented toward particular vocations or should it be more general with the responsibility for specific training left to business and industry?

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What are the needs for capital outlay assistance in Oklahoma? When we get more definitive answers to that question, how should resources be made available to fulfill the identified capital outlay needs of a state like Oklahoma?

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Although it may not be a function of the legislature, the Commission may wish to consider some of the current issues that are swirling about public education. It could be that positions you might take in relation to some of these issues would be influential. Among these are the following:

1. Tuition Tax Credits
2. Subsidized School Lunches
3. Competency Testing
4. Early Childhood Education
5. Parental Involvement in Decisions

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The Commission has already made a recommendation relating to improved administration of the property tax. The issue can be researched in greater depth and other alternatives can be considered. If there is interest in pursuing this matter further, the Commission staff can do some additional work that would provide you with more detailed information about property tax reform in the nation as a whole and in specific other states.

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How far should we plan to go in the use of technology in education? Is it practical and/or desirable to move towards heavy reliance on computers and other technology and correspondingly less reliance on teachers?

## School Boards

In the March meeting Commissioners passed the recommendation that all school board member's terms, the number of members on school boards and their election process outside this region is based upon the 1977 census of governments and it is possible that changes have been made since that time. An attempt has been made, however, to obtain current information from states within our region, Arkansas, Colorado, Kansas, New Mexico, Missouri, and Texas, and that information is presented in greater detail.

There are various types of school boards within the states who have differing lengths of terms, such as in Oklahoma where dependent district boards serve three years and independent district boards serve five year terms. Most classifications of school boards vary because of district size and/or district population. The national average length of term of school board members is 4.0 years. New Hampshire has school board members who serve only one year, and on the other end of the spectrum, ten states have school board members who serve six year terms. There are 17 states which have at least one type of school board which elects its members for three year terms. The majority of members serve four year terms, and five states, including Oklahoma, serve terms of five years.

Most states elect school district board members at large, usually with some type of residency requirement. The remainder of school board members are elected by zone, precinct or ward and a very few are appointed by various groups, including the city council, the mayor and, in Georgia, by a grand jury in conjunction with municipal governments.

The average school board consists of 6.35 members. Thirty-eight states have at least one type of school board with five members. The smallest boards consist of three members and Maine has the largest board, 18 members.

**New Mexico**

New Mexico law provides that the superintendent shall administer school district elections and is responsible for all necessary materials, supplies and equipment, including registration lists obtained from the county clerk, at each polling place. The local school board has authority to consolidate precincts from the number used in the general election and can have only one polling place if they so desire. The only restriction is that it be within the boundaries of the school district. Election information must be published locally and there is a provision for absentee ballots.

School board members in New Mexico serve six year staggered terms. The boards usually consist of five members, but the number may be increased to seven by a vote of the board. If an incumbent board member is defeated in an election, prior to expiration of his term the board (if it is a five member board) can meet and vote to increase the number of members to seven. They can then appoint the incumbent as one of the two new members. This can be challenged by the local patrons if a petition containing 20% of the voters' signatures if filed. Once the petition is validated, another election determines whether or not the number of members will be increased and if the increase is upheld, any appointments the board has made stand.

There is also a provision known as the Local School Board Members Recall Act of 1978. Upon validation of a petition with signatures of 1/3 of the number of registered voters who participated in the last preceding election of the school board member to be recalled, an election is held to decide whether or not the member is to be recalled. The petition must list specific charges which constitute misfeasance in office, malfeasance in office or violation of oath of office, and petitioners are given three months to obtain the required number of signatures. Once an election is held, voters are responsible for deciding whether charges are sufficient for recall. The board member may challenge the charges in district court prior to an election.

The only qualification for school board members in New Mexico is that they reside within the school district.

**Missouri**

There are three classifications for school districts in Missouri: Urban, Metropolitan and Six Director Districts.

Urban districts are those containing all or the major portion of a city of 75,000 to 700,000. Urban school boards consist of six members for cities from 75,000 to 300,000 and nine members for cities of 300,000 to 700,000. The districts are subdivided into six wards with one member representing each ward. Each of the six wards is responsible for their nominees but the members are elected at large. In the case of nine member boards, three additional members are nominated and elected at large. Urban board members serve four year staggered terms.

Metropolitan districts encompass those cities with populations of 700,000 or more whose limits extend beyond county lines. A school board member is nominated by petition of at least 1,000 voters. The qualifications are that members be at least 24 years of age, are residents of no less than three years, that they hold no other elective office and that they are not working directly or indirectly with any corporation having dealings with the schools. Four members comprise metropolitan school boards and each serves a six year term.

Six Director Boards are those who do not fall into either the urban or metropolitan category. Election of this board is held in April and each member serves a three year term.

The minimum qualification for school board members is that they have lived within the district for a period of one year. This minimum standards has been raised to three years in metropolitan districts.

**Arkansas**

The state of Arkansas has county school boards as well as directors of school districts. Qualifications for membership include property ownership and voter registration within the district or county zone.

The five county school board members are elected for five year staggered terms, one member from each of the five zones which divide the county. They are nominated by a petition of 20 electors and elections are

held the second Tuesday in March. These boards supervise the district boards. They are given the authority to change school boundary lines (upon consent of the electorate of the districts affected), apportion county funds, transfer students between districts, and approve district budgets.

The number of directors of district schools range from three to eight. Rural districts with fewer than 150 students have three directors elected for three year staggered terms. There are some eight director districts which were set by charter. These districts have been given the option of reducing their membership to seven, six or five. Their terms range from one to four years, and are set by the board.

Cities of first class have six directors that serve terms of five years. All other school districts in Arkansas have five directors, one from each of four zones and one at large, who all serve five year staggered terms.

**Kansas**

In Kansas the election of school board members is held on the first Tuesday in April in odd-numbered years. Seven board members are elected for staggered terms of four years.

The election methods used by school districts are:

1. Six member election — the district is subdivided into six wards with one member elected from each ward and one member elected at large.
2. Five member election — this election method is the same as the six member election except five members represent each one of the five wards and two members are elected at large.
3. Three district election — two members represent each of the three wards and one member is elected at large. Voters in the primary vote only for nominees of their ward and the at large nominees. In the general election all electors may vote for all positions on the ballot.
4. Two district election — this method is the same as the three district election except three members represent each of the two wards.
5. Election at large — provides that all seven members are voted on by all electors both in the primary and the general election.

A school district may vote to change their method of election as long as the new method is one set out above. The vote to change can be as a result of a school board resolution or a petition of the electors.

**Texas**

Over the years Texas has been able to phase out county schools almost entirely and the few that remain are in sparsely populated counties and are under the supervision of the county judge. County superintendents no longer hold office, and there are no more county school boards.

Common school districts are those which include only grades K to eight. Few of these remain as well, but those that do are governed by three to five trustees who serve three year terms.

The overwhelmingly majority of school districts in Texas have seven member boards. All board members in Texas serve three year, staggered terms.

School boards in cities of over 66,000 consist of nine members. This would allow such cities as Houston and Dallas to have two additional board members.

Qualifications for members are minimal and include only that the member live in the district six months and be a registered voter 30 days prior to the election.

School boards are responsible for conducting the local elections. They have control over the number of polling places and the location. They may contract to use voting machines or obtain a registration list and use paper ballots. Elections are held on the first Saturday in April, sometimes together with municipal elections. There is also an absentee ballot provision.

### Colorado

Directors of schools in the state of Colorado are given responsibility for school elections. They may contract with the county clerk for the administration of the election or obtain the registration list and administer the election themselves. The elections are held in May and the same polls are used as in the November general elections. There is an absentee ballot provision for voting. All school directors are voted on at large in the primary and general elections, even when they have representation by ward.

School directors range in number from four to seven and they serve staggered terms of four or six years. There are procedures for both increasing or decreasing the number of members and the lengths of terms if they stay within these guidelines.

Colorado has a recall provision for directors. Upon petition by 15,000 voters or 40% of the number of votes in the last preceding election of the director to be recalled and no less than 10% of all registered voters, an election will be held to determine if the director shall be recalled. The ballot in such an election shall contain two statements of no more than 200 words that represent both sides of the issue, one from the petitioners point of view and one written in favor of the director.

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There was discussion at the March Commission meeting about the timing of school board elections. The Commission seemed to support fall elections because of the public interest stimulated by the beginning of a new school year but there were dissenting opinions because of the possibility of conflict with state or federal elections. It would be impossible to avoid conflict with three year staggered terms.

In researching school board elections, it was found that most states hold elections in the spring. Texas was exceptional because although their elections are in May, election day is on Saturday rather than Tuesday.

## RECALL

### Oklahoma

There is currently an Oklahoma Statute which allows school board members to be removed from office through a grand jury investigation. Another statute, known as "Ouster By Action" gives a group of at least five citizens the right to serve notice on the Attorney General that a school board member is guilty of official misconduct (neglect of duty, intoxication, or conviction of a violation of any statute involving moral turpitude). The Attorney General is required to investigate the charges and if verified, must initiate proceedings in court for removing the board member from office.

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If the Commission is concerned only about removal of those who have misused their office or have committed a crime, present statutes are probably sufficient. If you decided that the right of recall should be extended so that members could be removed because of public disapproval of performance, then additional legislation should be recommended.

If the consensus is to recommend recall elections, you may want to specify the procedure for such an election. A look at those states who have adopted provisions for recall by petition may assist in that process.

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According to the National School Board Association nine states, out of 34 contacted, have laws which allow school board members to be recalled by petition during their term of office.

A list of those states is followed by an in-depth look at the recall process in four of the nine states.

| | | |
|---|---|---|
| Arizona | Georgia | Nebraska |
| California | Kansas | New Mexico |
| Colorado | Michigan | Wisconsin |

### Arizona

Arizona has had a recall provision for all elected officials since statehood which is in the state constitution. In the last three years the provision has been used against school board members frequently. It is the shared opinion of the Executive Director of the Arizona School Board Association (ASBA) and an Assistant to the State Superintendent that increased use of the provision has resulted from increased sensitivity of the public to school issues. Teacher negotiations, budgetary problems and generally unpopular decisions have led to many of the recall petition drives in recent years. They estimated that 10% of the 200 districts have had serious recall attempts against board members since 1978 and 50% of those attempts were successful.

As many as four out of five board members are verbally threatened with recall each year. The Executive Director of the ASBA thinks the threat of recall can interefere with the orderly decision making process of members.

### Colorado

The General Assembly of the State of Colorado recently amended a portion of a 1973 statute which dealt with election in the case of recalls for school directors. The amendment specified the procedure for Boards of Education to follow during the recall election process.

Dr. Don Stenzel of the Colorado Department of Education indicated that the General Assembly revised the existing statute because of their concern about the increased use of the recall provision. There are 181 districts in the State of Colorado and there is an average of four recall elections each year.

Consecutive recall elections in Colorado require one and one-half times the number of signatures on the second petition filed against the same member within one year of the previous recall election.

### Georgia

The "Public Officers Recall Act" became effective in Georgia in April, 1979. To recall a school board member 10% or 100 electors, whichever is smaller, must serve as official sponsors of the recall petition. Within 90 days the number of signatures of electors equaling 30% of those registered at the time of the latest school board election must be obtained. All signing must be in the presence of an official sponsor. A recall election is held within 45 days of receipt of notice of sufficient signatures on the petition. There is a stipulation that a petition cannot be circulated during the first or last 180 days of the term of office of the member, nor can a petition against the same member be circulated within 180 days following an unsuccessful recall election of that member.

According to an attorney at the State Department of Education, there is an average of one district initiating petition drives every three or four months in the State of Georgia.

### New Mexico

New Mexico's "Local School Board Members Recall Act of 1978" is described in the materials forwarded to the Commission on April 17, 1981. Two districts have had recall elections where one or more members have been recalled. Five districts have attempted to recall one or more members, but failed.

The New Mexico law does not prohibit consecutive recall attempts. According to informed officials, this has not created problems in that in no instance have there been consecutive recall attempts.

One superintendent whose entire board had been unsuccessfully subjected to recall stated that he believed the public should be allowed to recall corrupt officials, but the New Mexico provision allowed honest, hardworking board members to be subjected to recall simply because of community disagreement on a school issue.

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## SCHOOL DISTRICT ELECTIONS

The recent Oklahoma City School Board election controversy is evidence of the fact that unique problems exist in school district elections. Many of these problems occur because voter registration books cannot be used in school district elections. Combining precincts and having different polling places in general elections may also contribute to the lack of participation by voters.

By statute the County Election Board is given the responsibility for drawing precinct lines within each county. Precincts are not limited in population, but precinct boundaries cannot cross legislative district lines, County Commissioner district lines or Congressional district lines. If precinct boundaries were also limited by school district boundaries, voter registration books could be used in school district elections. That approach would reduce the size of precincts in counties where there are numerous school districts but may not be practical because a problem would still exist in vo-tech districts where two independent districts consolidate and yet remain in different vo-tech districts.

Another alternative might be to conduct school board elections in the same manner as statutory municipal elections where every precinct containing all or any part of a school district would be required to open polling booths during school board elections. In multi-county districts precinct officials would be at a disadvantage particularly if neighboring districts held elections on the same day. Voter registration books would be accurate except in precincts divided by school district boundary lines.

Kipp Stratton of the State Election Board will be at the meeting to talk about these issues and the school election process.

### Absentee Ballots

House Bill 1299 was signed by the Governor on June 29. This bill requires that absentee ballots be provided in all elections conducted by the County Election boards, which includes school board elections.

## CURRICULUM PRIORITIES

It is our opinion as a staff that the Commission will want to address itself to several basic questions relating to curriculum priorities. This brief statement is designed to suggest some of the questions that may be worth exploring. As our discussions evolve, other questions may arise that will require further consideration.

What should be the Legislature's role, if any, in matters of curriculum?

The Commission has discussed at some length the role of the state and the role of the local community in decisions about education. The major conclusion we reached was that on curriculum matters the primary responsibilities should rest with the local school boards. On the other hand, many of you have expressed the view that school boards not be given complete freedom. The legislature has obviously felt the need to offer guidance on what should be taught. As a result, various groups have persuaded the legislature to mandate that local school boards include certain content in the curriculum. Recent major examples include provisions requiring physical education and economic education. Earlier we provided you with a very formidable list of curriculum mandates that have been passed over the years by the Oklahoma State Legislature.

The state probably has a basic obligation to see to it that every child in every part of the state is exposed to some defined minimum educational program. The problem is to determine what that minimum program should be. The Commission, through its recommendations, may be able to help in defining and constraining the legislative role.

What should be included as an absolute minimum curriculum for every child in the State of Oklahoma?

There probably is not much argument that all schools should have as their highest priority the teaching of the basic skills. Reading is so essential to the other learning that takes place in schools that when a child fails to learn to read, it is impossible for him to succeed in school. Furthermore, an inability to read is an enormous handicap to anyone trying to funtion in almost any segment of the American culture.

By the same token, written communication is also fundamental to school and life success. In addition, mastery of fundamental computational skills is equally essential.

Having said the above, which simply confirms the necessity for the three R's, the question of what is a minimum basic education for children who will live their adult lives in the 21st century is far from answered. Some exposure to the natural and social sciences is obviously needed. How about consumer education, matters relating to the environment, and education relating to meaningful citizenship? Perhaps it is important to give attention to the American economic system. Health education including development of habits that will produce more physically fit citizens than we have typically had may be important. What about driver's education? This list could be expanded almost indefinitely, but the point is made. It is difficult to circumscribe and define what different groups could agree is fundamental curriculum content for all children and young people.

Over the last fifty years or so, the schools have been asked to do a great many things including most of the above. The problem confronting teachers and local school boards is that there is only a certain amount of time in the school day and the school year. A teacher of reading at the primary level knows that her most fundamental responsibility is to concentrate on the development of reading skills in her pupils. If she is required by state mandate to take time away from the teaching of reading in order to teach economic concepts, the development of the appropriate reading skills, at least for some pupils, may well be impaired. The same would apply at all other levels of education as choices have to be made. The fundamental question is to find the point on the continuum between a totally mandated curriculum which is common in some countries, and complete license for local school districts to do as they choose.

To give you their perspective, we have asked two school administrators, one from a large school system and the other from a small one, to discuss their views about this question. Keeping in mind that, as Dr. Pulliam suggested at our last meeting, we are thinking in terms of the legislative role in enhancing the quality of education in Oklahoma for children who will be living in the next century, we hope out of these discussions the Commission can develop some recommendations on these crucial matters that can be useful as the legislature considers the various alternatives.

**Background Information**

As the Commission considers its recommendations about the role of the legislature in providing direction for the curriculum in the public schools of the state, we thought it might be useful tp provide some background information. Preparing this short paper has served to remind us of the never-ending debate about what schools should teach and how they should go about it. We've reviewed a number of publications for both historical and contemporary ideas. The paper is a summary of some of these ideas along with a generous mixture of information derived from our own professional education backgrounds.

Early in the century the emphasis in schools was relatively narrow, although less so than at earlier times in the history of the country. The curriculum was primarily the three R's plus history and geography, the methods were simple and direct, and the discipline was relatively harsh. Moral values closely akin to puritanism were emphasized.

By the 20's, "Progressive Education" was influencing the attitudes of many educators. A more relaxed atmosphere, a concern for democracy in the educational process, the development of social skills, and consideration of the "whole child" as an individual dominated the thinking of many leaders and influenced the content and methods of teaching. The progressives were convinced that it was through the schools a new social order would emerge and that their ideas for the schools were essential to the further development of a more truly democratic society.

Criticism of the ideas associated with progressive education was always extensive and vigorous. Indeed, despite the widespread awareness among educators of these ideas, many schools probably changed very little from what they had always been.

The period since World War II has been an especially crucial one for public education. School leadership was probably dominated during the 50's by educators who were committed to the liberal views of education that were espoused by the progressive education group, even though it had become unpopular to publicly support ideas associated with persons such as John Dewey, William Kilpatrick, and George Counts. Indeed,

during the period of McCarthyism, some saw progressive education as a plot to achieve communism in the United States.

By the late 50's, with the cold war in full swing, the Russian "Sputnik" alarmed many citizens. Much of the blame for our apparent failure to compete successfully with the Russians in space exploration was placed on the schools. The writings and speeches of James Conant and others suggested the need for greater rigor and less permissiveness in the schools with particular emphasis on science, mathematics, and foreign language. The federal government, perceiving the alleged weaknesses in the schools as a threat to national security, passed the National Defense Education Act. It provided money for improving instruction in science, mathematics, and foreign language. The trend in the schools was in the direction of more homework, more discipline, and fewer "frills" in the school curriculum.

During all of this post war period, the public schools were growing almost exponentially. Many schools were having great difficulty in merely housing their inflated enrollments growing out of the post war baby boom. Critics of the schools were getting wide visibility. Rudolf Flesch wrote **Why Johnny Can't Read** in the preface of which he indicated ". . . the teaching of reading is too important to be left to the educators." The Council for Basic Education with Arthur Bestor and Admiral Hyman Rickover carried the attacks against the liberal "educationists" to even greater heights.

During the 60's the federal involvement in education grew more than ever. The "War on Poverty" included many projects with educational implications. The Elementary and Secondary Education Act provided large amounts of money for schools, especially for educational programs designed to compensate for the disadvantages that affect pupils coming from economically poor families.

Racial equality, too, and the commitment by political leaders to accomplish it, produced enormous controversies surrounding the schools. While the Brown decision of 1954 seemed to be directed to the legal separation imposed by the schools of the South, by the late 60's and early 70's the zeal for racial integration was affecting schools all over the country. The phrase "forced busing" produced, and still does, emotional reactions and embroiled the schools in conflicts that were largely unsolvable.

It was in this context that many parents began for the first time in our history to wonder if the public schools, with all their problems, were what they wanted for their children. The popularity of private schools and the emergence of new private schools, even in states like Oklahoma whose private school population had always been minute, was a growing phenomenon.

During the 70's, the birth rate declined and the growth of the schools slowed. It became increasingly difficult to get tax levies approved. Teacher organizations became more agressive and the salaries of teachers went up significantly. There was almost no increase in federal activity except for greater concern for the education of the handicapped. Percentagewise, state support went up, local support went down, and federal support remained the same.

It seems likely that during the 80's and 90's the debates about the public schools will not subside. Issues like tuition tax credits, the voucher plan and others will be temporarily resolved, one way or the other. The outcome of those issues may or may not have profound effects on the schools. Still we will continue to debate what schools should teach our children and young people.

## Defining Basic Education

Throughout all of the history that was just summarized, various groups have grappled with the question of what the schools should teach and how they should teach it.

In 1918 the Commission on Reorganization of Secondary Education issued its famous Cardinal Principles of Education. They said that the seven principle objectives of secondary education should be: (1) health, (2) command of the fundamental processes, (3) worthy home membership, (4) a vocation, (5) civic education, (6) worthy use of leisure time, and, (7) ethical character. This led to some of the efforts previously described to integrate the fragmented curriculum into more of a whole that could be related to these broadly stated objectives.

The Educational Policies Commission, sponsored by the National Education Association and other educational groups, issued a number of documents during their existence. **Education for All American**

**Youth** published by that group after the end of World War II received widespread attention among educators.

The last document produced by the EPC titled **The Central Purpose of American Education** departed somewhat from the earlier statements. Below is a summary of the ideas contained in that 1961 publication:

> The schools must serve both individuals and society at large in achieving their goals, and because the principle goal of the American society remains freedom, the requirements of freedom set the frame within which the school can discover the cental focus of its own efforts. To be free, a man must be capable of basing his choices and actions on understandings by which he himself achieves and on values which he examines for himself.
>
> The freedom to think and choose must be rooted in individual strength. That individual strength springs from a thinking, aware mind that possesses the capability to achieve aesthetic sensitivity and moral responsibility. Central to the development of these qualities are the rational powers of man.
>
> The rational powers of man are the essence of the ability to think. They involve the processes of recalling and imagining, classifying and generalizing, comparing and evaluating, analyzing and synthesizing, and deducing and inferring. These processes enable one to apply logic and the available evidence to this ideas, attitudes, and actions, and to pursue better whatever goals he may have. To help everyone develop their rational powers is therefore a profoundly important objective.
>
> The purpose which runs through and strengthens all other educational purposes — the common thread of education — is the development of the ability to think. This is the central purpose of which the school must be oriented. It must be a pervasive concern in the work of the school.
>
> Certain conditions are known to be prerequisites of rationality. The school must establish and maintain such conditions as physical health and mental health and must be guided in all things by a recognition of human individuality. To take into account these and other individual differences, the schools must and should vary the relative emphasis they place on the development of rational powers among their other important purposes.
>
> There are two bases for choosing the substantive knowledge which pupils should learn. One is the potential of knowledge for development of rational powers; the other is the relative importance of the knowledge in the life of the pupil and society. The social sciences, for example, provide an excellent opportunity to acquire knowledge which is of considerable importance in daily living and simultaneously to improve the ability to analyze, compare, generalize and evaluate information. To foster the inquiring spirit, educators should choose content on the basis of its appropriateness for developing in pupils an understanding of the various strategies of inquiry. In addition to seeking development of the specific rational powers, the school must help the student extend the areas of his life to which he applies them.
>
> In conclusion, the Educational Policies Commission writes, "Individual freedom and effectivness and the progress of the society require the development of every citizen's rational powers. Among the many important purposes of American schools the fostering of that development must be central."

Many other statements have been produced. A recent example is the following definition of basic education from the national Congress of Parents and Teachers:

> "Fundamental to a basic education is a balanced curriculum which offers opportunities for a student's maximum growth and development. The academic and lifetime skills necessary to function in vocational and leisure time activities include, but

are not limited to, good reading comprehension, functional mathematics ability, oral and written communication skills and the ability to collect and critically analyze information in order to be a responsible citizen in a free society and a global community."

According to the Education Commission of the PTA who provided us with this statement, this definition has not been formally adopted and prior to that time language will be added to include a reference to art as a necessary skill.

Although the emphasis has been different in each of these many documents that have been produced over the years by various groups their commonalities are greater than their differences. At the present time it appears that the penchant for identifying all encompassing goals for American education has diminished. In its place are somewhat more specific statements and rallying cries such as "back to basics." This brings us full circle back to the problem of defining what we mean by the "basics" or "basic education."

**Activity Leading to Recommendations**

On several occasions the Commission has agreed that the State's responsibility in public education is to ensure, to the degree possible, that each pupil in the state has access to a reasonably adequate and equal educational program. To that end the legislature appropriates money for the schools which is distributed as equitably among districts as possible.

The question that remains is whether or not the legislature can do anything other than appropriate money. As you have seen from previous materials, over the years the legislature has told the schools that they expect certain things to be taught. These are the curriculum mandates that you know about.

As Commission members have discussed the issue of curriculum mandates among themselves and with the various invited guests, it has been apparent that most Commission members think something else besides appropriating money should be done. Although the concept of local control has received basic Commission support, some state guidance has also been supported.

One possibility would be to recommend that all of the existing mandates be repealed and that the legislature consider the adoption of some type of general framework expressing the state's concerns about what the schools should do as a minimum.

Others feel that the existing mandates should be retained. Indeed, perhaps the list should be extended to include one or more of the other items that have been mentioned in our discussions.

A third alternative that may be favored by some is a recommendation to revise the existing list. This would mean deleting some mandates and perhaps replacing them with others.

In an attempt to help you as you move towards some kind of consensus, but with honest effort to avoid undue influence, we suggest that you identify the specific skills, content, and values to which you feel every Oklahoma pupil should have access. From these specifics, we hope you can develop recommendations of a more general nature concerning the legislature's role in curriculum.

Please keep in mind as you discuss these issues that the schools cannot do everything. Most educators believe that one of the really big problems of the public schools has been their willingness to take on any task that comes along. It may be that one of the most important public education tasks of the 1980's and 90's will be identifying the priorities for the schools.

The other thing that should be re-emphasized as you engage in these discussions is that what we're talking about is what we expect **every** pupil to have access to. Obviously, all pupils should have opportunity to go beyond the minimum requirements to areas of their own choosing and that relate to their specific needs.

Whatever you decide, Chairman Fried has indicated interest in the criteria we have examined previously for considering new requests for curriculum mandates from special interest groups. We hope you will want to re-examine that document and perhaps revise it for final approval.

NOTE: We have included with your materials a sheet that is filled out listing requirements that we tried to classify as skills, content, and values. They were taken directly from the standards established by the North Central Association. Since we have mentioned that group on several occasions, we thought you might be interested in seeing what their minimum requirements are.

## NORTH CENTRAL ASSOCIATION STANDARDS

| SKILLS | CONTENT | VALUES |
|---|---|---|
| **Elementary** | | |
| 1. Function effectively within social context | 1. Science | 1. Ideals and realities of American Society |
| 2. **Reading, writing,** spelling, listening, expressing ideas, speaking clearly, critical thinking, **computational skills,** observing carefully, solving problems, participating in groups, keeping health | 2. Conservation | 2. Understanding and acceptance of health |
| 3. Effective use of time, money, and natural resources | 3. Social studies | 3.Honesty and integrity |
| | 4. Health and safety | 4. Loyalty to democratic ideals and processes |
| | 5. Fine arts | 5. Responsibility for own actions |
| | 6. Practical arts | 6. Appreciation and Understanding of our own diverse cultures |
| | | 7. Willingness to accept and effect desirable changes |
| | | 8. Respect and concern for others |
| | | 9. An awareness of personal values |
| **Junior High** | | |
| 1. English and communication skills | 1. Social Studies | |
| | 2. Mathematics | |
| | 3. Science | |
| | 4. The arts | |
| | 5. Physical education and health | |
| | 6. Home-making | |
| | 7. Technical arts and crafts | |

| SKILLS | CONTENT | VALUES |
|---|---|---|
| **High School** | 1. Language arts - 4 units<br>(English, speech, journalism, etc.)<br><br>2. Science - 4 units<br>(Biology, chemistry, physics, etc.)<br><br>3. Social studies - 4 units<br>(American history, world history, etc.)<br><br>4. Mathematics - 4 units<br>(Algebra, trigonometry, etc.)<br><br>5. Foreign language<br>(2 units of one language)<br><br>6. Fine arts<br>(1 unit in art and 1 unit in music)<br><br>7. Practical arts - 4 units<br>(Business, industrial, or vocational courses)<br><br>8. Health and physical education - 1 unit | |